



Audit Committee Agenda

Meeting date: Thursday 19th February 2026 at 2pm.

Meeting location: Office of the Police and Crime Commissioner for Norfolk (OPCCN), Building 7, Wymondham.

Note for members of the public:

If a member of the public wishes to attend the meeting please contact the Office of the Police and Crime Commissioner for Norfolk, Building 7, Wymondham, Norfolk, NR18 0WW. Call 01953 424455 or email: opccn@norfolk.police.uk

For copies of any of the papers cited below please contact the OPCCN as detailed above.

1. Public Agenda

1.1 Welcome and apologies

1.2 Declaration of personal and prejudicial interests

1.3 To approve the minutes of the meeting held on 14th October 2025 – **Document available on request.**

1.4 Review and update of Action Log – **Document available on request.**

1.5 External Audit

a. Norfolk Police 2024/25 Audit Results Report

1.6 Internal Audit – **Documents Available on Request**

a. Statement of Internal Controls report

1.7 Treasury Management – Mid Year Report

1.8 Devolution & LGR (verbal update)

1.9 Forward Work Plan – **Document Available on Request.**

2. Private Agenda

2.1 Welcome and apologies

2.2 Declaration of personal and prejudicial interests

2.3 To approve the minutes of the meeting held on 22nd July 2025

2.4 Review and update of Action Log

2.5 Fraud update (Verbal Update)

2.6 Response to data breach (Verbal Update)

2.7 Internal Audit

a. Confidential & Sensitive Internal Audit reports

Next meeting date: 24th March 2026 at 2pm

Meeting location: Office of the Police and Crime Commissioner for Norfolk, Building 7, Wymondham.



NORFOLK
CONSTABULARY

Audit Committee Meeting

14th October 2025

Office of the Police and Crime Commissioner for Norfolk (OPCCN), Building 7,
Wymondham & via Microsoft Teams

MINUTES

Members in attendance: **CHECK**

Ms A Bennett (Chair)
Mr A Matthews
Mr P Hargrave
Mr S Smith
Ms L Sales

Also, in attendance: **CHECK**

Mr S George Chief Finance Officer, (PCC CFO), OPCC
Mr I Fearn Head of Financial Accounting and Specialist Functions
Ms D Hanson EY
Ms A Rigler EY
Ms F Roe Director, TIAA
Ms C Lavery TIAA

Part 1 – Public Agenda

1.1 Welcome and Apologies:

Apologies received from Peter Jasper (Assistant Chief Officer, Norfolk Constabulary) and Adrian Matthews (Committee Member).

1.2 Declaration of Personal and/or Prejudicial interest:

No personal or prejudicial interests declared.

1.3 Minute of the last meeting:

Adrian ??? apologies to be added to the minutes of the last meeting held on 22nd July 2025.

1.4 Review and Update Action Log:

The action log was reviewed in detail, and the log was updated to reflect the discussions.

1.5 External Audit: Presented by Debbie Hanson (EY)

NAO confirmed no further procedures; certificates for PCC and CC issued on 16 Sept. Fee Determinations: PSA finalised fees for 2022/23:

- PCC: £6,505 credit
- CC: £1,972 credit

Audit Progress:

Delays have impacted on delivery due to EY staff sickness, not PCC/CC finance teams, Debbie flagged potential risk to January timeline if gaps not filled in November, committee agreed to review progress mid-December.

Outstanding work includes IFRS 16 (leases), capital financing, journals. Work currently in progress is PPE, pensions, provisions (data breach), income, payroll, and going concern. No significant issues have been identified to date. The ICO report is expected back before Christmas.

Value for Money (VFM):

No significant risks or weaknesses identified and Draft VFM report to be circulated in November.

1.6 Internal Audit: Presented by ??? (TIAA)

Complaints Audit: Satisfactory assurance given, identified priority 2 recommendation which is to formalise escalation process and improve timeliness. Committee to look at implementation date on page 7 of the TIAA report. Lucy Sales mentioned there is no mention of KPIs or SLAs, Committee requested further updates and potential morning session in 2026.

Safeguarding Audit (Cadet Programme): Satisfactory assurance given, a couple of recommendations identified including issues with DBS renewals and training scheduling. New Children & Young Persons Manager to oversee implementation of recommendations. Update expected in January 2026 meeting.

ICT Strategy Audit: Reasonable assurance given, priority 2 recommendation which is consistent use of Project Online.

Performance Management Audit: Green assurance given which is rare and positive. Committee commended the performance management team for proactive internal performance team.

Audit Plan Progress:

- Cybersecurity audit progress with slight delay due to internal resource constraints.
- Commissioner Partnership audit will be split into two reports and the Victim Support visit scheduled for February.
- Change Management audit confirmed start date of February 2026 following its long delay.
- 2025/26 Plan: Corporate Governance structure audit will be covered during the next committee and Communication Strategy audits progressing. Police Investigation Centre (PIC) Audit ongoing.

Committee discuss the potential for assurance mapping to ensure they are covering everything and the need for broader assurance sources (e.g., HMICFRS reports). Action agreed to review assurance map in 2026 morning session.

Recommendation Implementation:

Two priority 1 recommendations (staff retention and workforce planning) revised to 31 Dec 2025. Data quality issues ongoing; to be reviewed during PIC visits.

1.7 Devolution & LGR (verbal update)

No update given.

1.8 Forward Work Plan:

- Treasury Management Mid-Year Paper to be added to January agenda and assurance Mapping Exercise for morning session.
- Complaints Process Review added to a 2026 morning session.

Next meeting date: Tuesday 13th January 2026

Meeting location: Office of the Police and Crime Commissioner for Norfolk, Building 7, Wymondham.



Audit Committee
Public – Part 1

Action Log – 19th February 2026

Action Number	Meeting Date	Actions and update	Owner	Status
New actions: 24 January 2024				
104	24.1.24	<p>Data Breach Report P Jasper to clarify with ACC Bridger when the data breach internal report will be finalised and issued to both PCCs</p> <p>26.03.24 – P Jasper updated that internal report has been shared with both Chief Constables and sent to ICO. P Jasper will confirm with ACC E Bridger that the report can be shared with Audit Committee members. Leave open for further update.</p> <p>23.07.24 – The report has been shared confidentially with Audit Committee members other than L Sales. To remain live.</p>	P Jasper	Live

		<p>13.09.24 – A Bennett advised L Sales proposed to come in and meet with P Jasper so she can read through report and sign off as action following L Sales return on 1.11.24. P Jasper agreed.</p> <p>25.02.25 – L Sales has completed the review of the internal report.</p> <p>25.03.25 – Action closed.</p> <p>14.10.25 – Action reopened following information from ICO. Update will be received at next meeting.</p>		
105	24.1.24	<p>Lease P Jasper to liaise with the Head of Estates to ensure the lease is signed off as soon as possible.</p> <p>26.03.24 – Leave open.</p> <p>23.07.24 – PCC has signed. Awaiting county council to sign, to remain live.</p> <p>13.09.24 – Awaiting sign off, P Jasper no update, to come post meeting</p> <p>10.12.24 – the position remains the same in that the PCC has signed and the County still needs to sign. Regular chasing has been done.</p> <p>25.02.25 - No progress. Still awaiting signatures from the council. SG and PJ to escalate.</p> <p>25.03.25 – Outstanding lease sign-off process still pending with county council.</p> <p>22.03.25 – Issues with County Council signing off leases, still awaiting.</p>	P Jasper	Live

		14.10.25 - confirmed both leases have now been signed; item proposed to be closed.		
New actions: 23 July 2024				
107	23.7.2024	<p>Audit exit meetings: F Roe to make sure that audit exit meetings are held with the draft reports so that clarifications or challenge around recommendations are dealt with in those meetings.</p> <p>13.09.24 – All new audit to have exit meetings going forward. Update next meeting.</p> <p>10.12.24 – These meetings are now being scheduled.</p> <p>25.02.25 – New process is now taking place and producing results in terms of the reports and management comments. Action closed.</p>	F Roe	Closed
110	23.7.2024	<p>Review of 2024/25 audit plan P Jasper to discuss with Suffolk counterparts and F Roe options around a minimum number of audits for 2024/25 to meet the requirements for assurance for TIAA to be able to provide a Head of Internal Audit annual opinion.</p> <p>13.09.24 – P Jasper spoke with Suffolk. P Jasper proposed to close and P Jasper and F Roe to have a meeting to discuss.</p> <p>13.10.24 – Scheduled meeting was cancelled so action needs to remain open. Meeting to take place between TIAA and the four CFOs from Norfolk and Suffolk to discuss.</p>	P Jasper	Proposed to be closed

		<p>25.02.25 – Meeting took place and agreed approach to 24/25 to conclude as many audits by 31st March as possible.</p> <p>14.10.25 – Agenda was confirmed, Item proposed to be closed.</p>		
New actions: 13.09.2024				
111	13.09.2024	<p>Procurement Strategy – Limited Assurance P Jasper and S George to raise the Audit Committee concerns over the limited assurance report with Head of 7 Force Head of Commercial Services and report back to the committee.</p> <p>10.12.24 – To be picked up at routine monthly meetings with Head of 7F Commercial Services.</p> <p>25.02.25 – Remains outstanding with a meeting planned.</p> <p>25.03.25 – Procurement Strategy discussion with Dave Levy, confirmed all action points were addressed.</p> <p>14.10.30 – discussion has taken placed, item proposed to be closed.</p>	P Jasper / S George	Completed – Propose to close
112	13.09.2024	<p>2023/24 outstanding audits S George to discuss the Community Safety Partnership audit delay with F Roe to ensure finalised for the next committee.</p> <p>25.02.25 – Community Safety Partnership audit remains a draft. Emails sent for an update, awaiting response.</p> <p>25.03.25 – Community Safety Partnership audit feedback still in progress.</p> <p>14.10.25 - To be addressed under TIAA section.</p>	S George	Live

10.12.2024 – No new actions.				
25.03.2025 – No new actions.				
22nd July 2025				
113	22.07.25	P Jasper to invite Director of People (Helen Molloy) to the next informal briefing of the audit committee on the morning of the 14th October 2025. 14.10.25 – briefing received in morning session.	P Jasper	Live
114	22.07.25	F Roe to ensure the Committee receive a full audit report for the Cyber Security audit. 14.10.25 – no update.	F Roe	Live

Police and Crime Commissioner for Norfolk and Chief Constable of Norfolk Constabulary

Audit Results Report

Year ended 31 March 2025

2 February 2026



The better the question. The better the answer. The better the world works.



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Police and Crime Commissioner for Norfolk and Chief Constable of Norfolk Constabulary
Jubilee House
Falconers Chase
Wymondham
Norfolk
NR18 OWW

2 February 2026

Dear Sarah and Paul

2024/25 Audit Results Report

We attach our Audit Results Report, summarising the status of our audit for the forthcoming meeting of the Joint Independent Audit Committee. We will update the Committee at its meeting scheduled for 19 February 2026 on further progress to that date and explain the remaining steps to the issue of our final opinion.

The audit is designed to express an opinion on the 2024/25 financial statements and address current statutory and regulatory requirements. This report contains our findings related to the areas of audit emphasis, our views on the Police and Crime Commissioner for Norfolk and the Chief Constable of Norfolk Constabulary (the PCC and CC) accounting policies and judgements and material internal control findings. Each year sees further enhancements to the level of audit challenge, the exercise of professional judgement and the quality of evidence required to achieve the robust professional scepticism that society expects. We thank the management team for supporting this process.

The Police and Crime Commissioner and Chief Constable, as those charged with governance, have an essential role in ensuring that it has assurance over both the quality of the draft financial statements prepared by management and the wider arrangements to support the delivery of a timely and efficient audit. We consider and report on the adequacy of external financial reporting arrangements and the effectiveness of those charged with governance in fulfilling their role in those arrangements as part of our assessment of Value for Money arrangements; and consider the use of other statutory reporting powers to draw attention to weaknesses in those arrangements where we consider it necessary to do so. We draw those charged with governance's and officers' attention to the Public Sector Audit Appointment Limited's Statement of Responsibilities (paragraphs 26-28) which clearly sets out what is expected of audited bodies in preparing their financial statements.

This report is intended solely for the information and use of the Police and Crime Commissioner, Chief Constable, Joint Independent Audit Committee and management, and is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss the contents of this report with you at the Joint Independent Audit Committee meeting on 19 February 2026.

Yours faithfully

Debbie Hanson
Partner
For and on behalf of Ernst & Young LLP

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Public Sector Audit Appointments Ltd (PSAA) issued the “Statement of responsibilities of auditors and audited bodies”. It is available from the PSAA website (<https://www.psa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits>)

The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The “Terms of Appointment and further guidance (updated July 2021)” issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code), and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the PCC, CC, Joint Independent Audit Committee and management of Norfolk Police in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the PCC, CC, Joint Independent Audit Committee and management of Norfolk Police those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the PCC, CC, Joint Independent Audit Committee and management of Norfolk Police for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



01 Executive Summary

Executive Summary – Context for the audit

Context for the audit - Measures to address local audit delays

Timely, high-quality financial reporting and audit of local bodies is a vital part of the democratic system. It supports good decision making by local bodies and ensures transparency and accountability to local taxpayers. There is general agreement that the backlog in the publication of audited financial statements by local bodies has grown to an unacceptable level and there is a clear recognition that all stakeholders in the sector need to work together to address this. Reasons for the backlog across the system have been widely reported and include:

- lack of capacity within the local authority financial accounting profession;
- increased complexity of reporting requirements within the sector;
- a lack of auditors and audit firms with public sector experience; and
- increased regulatory pressure on auditors, which in turn has increased the scope and extent of audit procedures performed.

MHCLG has worked collaboratively with the FRC and other system partners, to develop and implement measures to clear the backlog. The approach to addressing the backlog consists of three phases:

- Phase 1: Reset involving clearing the backlog of historic audit opinions up to and including financial year 2022/23 by 13 December 2024. This has now been delivered.
- Phase 2: Recovery from Phase 1, starting from 2023/24, in a way that does not cause a recurrence of the backlog by using backstop dates to allow assurance to be rebuilt over multiple audit cycles. The backstop date for audit of the 2024/25 financial statements is 27 February 2026. This process of rebuilding assurance will take several years to achieve. The NAO, supported by the MHCLG and the FRC, are responsible for issuing guidance and have been liaising with audit firms to understand the complexities involved and to seek to ensure a more consistent approach for restoring assurance for disclaimed periods. The NAO has now published its Local Audit Reset and Recovery Implementation Guidance (LARRIG) 06 setting out considerations for rebuilding assurance following the issue of disclaimed audit opinions under the backstop arrangements. The guidance predominantly focuses on the rebuilding of assurance over reserves, where it is more difficult to obtain assurance because of the way in which they accumulate over successive years. It also continues to recognise that the approach needed to rebuild assurance will differ authority to authority and will need to be considered in the context of both inherent risk factors which all authorities subject to recently disclaimed opinions will share, and factors specific to each individual authority's system of internal control and financial reporting. We will continue to consider the impact of this on our audit approach. In 2024/25 we have continued to audit the closing balance sheet and in-year transactions, which allows the build back of assurances over a large number of balances within the financial statements where audit procedures can be completed for successive years.
- Phase 3: Reform involving addressing systemic challenges in the system and embedding timely financial reporting and audit.

As reported in our Audit Results Report dated 26 February 2025, we issued a disclaimer of opinion on the PCC and CC's 2022/23 and 2023/24 financial under these arrangements to reset and recover local government audit. In 2024/25, we have continued to audit the closing balance sheet and in-year transactions. Although the level of assurance gained has increased, we have not yet obtained sufficient evidence to have reasonable assurance over all in-year movements and closing balances. As a result of the disclaimer of opinion on the 2023/24 financial statements, we do not have assurance over some brought forward balances from 2023/24 where we did not gain assurance (the opening balances). This means we do not have assurance over all 2024/25 in-year movements and the comparative prior year movements. We also do not have assurance over all the 2023/24 comparative balances disclosed in the 2024/25 financial statements. However, we note that the balances for which assurance is unlikely to be obtained is limited to Property, Plant and Equipment (and associated transactions) and Reserves balances. Taking into account the requirement to conclude our work by the 2024/25 back stop date we will not be able to rebuild assurances over these balances as part of the 2024/25 audit. We therefore anticipate issuing a qualified 2024/25 audit opinion.

Appendix A sets out the current position of the Police and Crime Commissioner for Norfolk and Chief Constable of Norfolk Constabulary in rebuilding to return to a position of full assurance on its financial statements as compared with the timeline envisaged by the NAO's LARRIG 01. This is informed by the summary of the assurances we have gained from our 2023/24 and 2024/25 audit procedures, set out at Appendix B.

Scope update

In our Audit Plan presented at the 22 July 2025 Joint Independent Audit Committee meeting, we provided you with an overview of our audit scope and approach for the audit of the financial statements. We carried out our audit in accordance with this plan, with the following exceptions:

Changes in materiality

In our Audit Plan, we communicated that our audit procedures would be performed using the following materiality:

Description	Group	PCC	CC
Materiality basis	2% of gross expenditure on provision of services as disclosed in the 2023/24 statement of accounts	2% of total assets as disclosed in the 2023/24 statement of accounts	2% of gross expenditure on provision of services as disclosed in the 2023/24 statement of accounts
Planning materiality	£6.2 million	£2.8 million	£5.7 million
Performance materiality	£4.6 million	£2.1 million	£4.3 million
Audit differences threshold	£0.3 million	£0.1 million	£0.3 million

We updated our planning materiality assessment using the draft Statement of Accounts and have also reconsidered our risk assessment. We have updated our overall materiality assessment as follows:

Description	Group	PCC	CC
Materiality basis	2% of gross expenditure on provision of services as disclosed in the draft 2024/25 statement of accounts	2% of total assets as disclosed in the draft 2024/25 statement of accounts	2% of gross expenditure on provision of services as disclosed in the draft 2024/25 statement of accounts
Planning materiality	£6.3 million	£3.2 million	£5.8 million
Performance materiality	£4.8 million	£2.4 million	£4.4 million
Audit differences threshold	£0.3 million	£0.2 million	£0.3 million

Status of the audit

Our audit work in respect of the PCC and CC opinion is substantially complete. Details of outstanding items relating to the completion of our audit procedures as at the date of this report, actions required and responsibility is included in Appendix D.

Given that the audit process is still ongoing, we will continue to challenge the remaining evidence provided and the final disclosures in the Statement of Accounts which could influence our final audit opinion.

A summary of the assurances we have gained from our 2024/25 audit procedures is set out at Appendix B.

Value for money

In our Audit Plan dated 29 April 2025, we reported that we had not completed our value for money (VFM) risk assessment. We have since completed our VFM risk assessment and identified no risks of significant weakness in arrangements. Having updated and completed the planned procedures we did not identify a significant weakness. See Section 03 of the report for further details.

Audit differences

We have not identified any uncorrected misstatements to the core financial statements (Comprehensive Income and Expenditure Statement, Balance Sheet, Movement in Reserves Statement and Cash Flow Statement).

Management have corrected one misstatement amounting to £156,000 in relation to the pension liability. See Section 05 of this report for further details.

A small number of disclosure misstatements have been corrected by management.

Other reporting issues

We have reviewed the information presented in the Annual Governance Statement for consistency with our knowledge of the PCC and CC. We have no matters to report as a result of this work.

We have not yet performed the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts. We cannot issue our Audit Certificate until these procedures are complete, and the NAO has confirmed no further procedures are required.

There is one instance of potential non-compliance with laws and regulations in relation to the data breach referred to at page 18. We are satisfied that this does not have a material impact on the financial statements.

Areas of audit focus

In our Audit Plan we identified a number of key areas of focus for our audit of the financial report of the PCC and CC. This report sets out our observations and status in relation to these areas, including our views on areas which might be conservative and areas where there is potential risk and exposure. Our consideration of these matters and others identified during the period is explained within the 'Areas of Audit Focus' section of this report and summarised below.

Risk	Status of our work
Presumptive risk of management override of controls	We have completed all planned procedures. No significant matters have been identified in the completion of our work. However, we have made an observation in relation to controls as set out in Section 06.
Inappropriate capitalisation of revenue expenditure	We have completed all planned procedures. No significant matters were identified in the completion of our work.
Valuation of land and buildings	We have completed all planned procedures. No significant matters were identified in the completion of our work.
Pension liability valuation	We have completed all planned procedures. No significant matters were identified in the completion of our work, although we note that one misstatement has been corrected by management. See Section 05 for further details.
Accounting for Private Finance Initiative	We have completed all planned procedures. No significant matters were identified in the completion of our work.
Accounting for data breach issue	We have completed all planned procedures. No significant matters were identified in the completion of our work, although we note that the final ICO report is yet to be issued.
IFRS 16 implementation	We have completed all planned procedures. No significant matters have been identified in the completion of our work. However, we have made an observation in relation to controls as set out in Section 06.

We request that you review these and other matters set out in this report to ensure:

- There are no further considerations or matters that could impact these issues
- You concur with the resolution of the issue
- There are no further significant issues you are aware of to be considered before the financial report is finalised

There are no matters, other than those reported by management or disclosed in this report, which we believe should be brought to the attention of the PCC, CC or Joint Independent Audit Committee.

Control observations

During the audit, we did not identify any significant deficiencies in internal control.

We followed up the observations and improvement recommendations made as part of our 2023/24 audit in relation to management's financial processes. These have yet to be fully implemented. See Section 06 for further details.

Independence

Please refer to Section 08 for our update on Independence. We have not identified any issues that impact our independence and objectivity.

Factors impacting the execution of the audit

Management, the Joint Independent Audit Committee, and the Police and Crime Commissioner and Chief Constable, as those charged with governance, have an essential role in supporting the delivery of an efficient and effective audit. Our ability to complete the audit is dependent on the timely formulation of appropriately supported accounting judgements, provision of accurate and relevant supporting evidence, access to the finance team and management's responsiveness to issues identified during the audit. The table below sets out our views on the effectiveness of the PCC and CC's arrangements to support external financial across a range of relevant measures.

Area	Status			Explanation	Further detail
	R	A	G		
Timeliness of the draft financial statements	Effective			The financial statements were published by the 30 th June 2025 deadline set out in the Accounts and Audit Regulations.	N/A
Quality and completeness of the draft financial statements	Effective			A limited number of non-material internal inconsistencies, typographical and arithmetic errors were identified in the draft financial statements that should have been detected through internal quality review prior to publication.	N/A
Delivery of working papers in accordance with agreed client assistance schedule	Effective			Working papers were generally provided to the agreed timetable.	N/A
Quality of working papers and supporting evidence	Effective			Working papers and supporting evidence were generally of a good standard.	N/A
Timeliness and quality of evidence supporting key accounting estimates	Effective			No significant delays have been experienced to date in the provision of supporting evidence for key accounting estimates.	N/A
Access to finance team and personnel to support the audit in accordance with agreed project plan	Effective			There have been no significant issues to date with access to the finance team and key personnel.	N/A
Volume and value of identified misstatements	Effective			No material misstatements have been detected to date as a result of our work.	N/A
Volume of misstatements in disclosure	Effective			A relatively small number of misstatements in disclosures have been detected in our work to date.	N/A



02 Areas of Audit Focus

Presumptive risk of management override of controls (fraud risk/significant risk)

What is the risk?

The financial statements as a whole are not free of material misstatements whether caused by fraud or error.

As identified in ISA (UK) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

We identify and respond to this fraud risk on every audit engagement.

Our response to the key areas of challenge and professional judgement

We performed the following standard procedures to address this fraud risk:

- Identified fraud risks during the planning stages;
- Inquired of management about risks of fraud and the controls put in place to address those risks;
- Understood the oversight given by those charged with governance of management's processes over fraud;
- Discussed with those charged with governance the risks of fraud in the entity, including those risks that are specific to the entity's business sector (those that may arise from economic industry and operating conditions);
- Assessed related party relationships and transactions to determine whether there is any associated fraud risk;
- Considered the effectiveness of management's controls designed to address the risk of fraud;
- Determined an appropriate strategy to address those identified risks of fraud; and
- Performed mandatory procedures regardless of specifically identified fraud risks, including:
 - testing of journal entries and other adjustments in the preparation of the financial statements;
 - testing any significant unusual transactions to determine whether they are in the ordinary course of business; and
 - assessing significant accounting estimates and judgments to determine whether there is evidence of management bias.

What else did we do and further relevant information

As part of our evaluation of fraud risks, we also considered whether we need to perform other audit procedures not referred to above. We concluded that procedures were also required to address the risk of inappropriate capitalisation of revenue expenditure. These are set out at page 13.

Presumptive risk of management override of controls (fraud risk/significant risk) – cont'd

What is the status of our work and what are our conclusions?

We obtained the responses we requested from management and those charged with governance and used these to inform our understanding of fraud risks. We noted that key elements of the entity level control framework that we would expect to see, especially arrangements for Internal Audit and Risk Management, were in place.

- ▶ Our walkthrough testing included considering what controls are in place to address significant risks. We concluded that these are mainly year-end processes including management review of the draft financial statements. We confirmed that these controls were in place, although our approach was not to rely on controls.
- ▶ We have not identified any material weaknesses in controls or evidence of material management override. One control weakness identified as part of the 2023/24 audit, in respect of control accounts, remains as detailed in Section 06 of this report.
- ▶ We did not identify any transactions during our audit which appeared unusual or outside the ordinary course of business.
- ▶ We have not identified any instances of inappropriate judgments being applied.

Overall, our audit work has not identified any material issues, inappropriate judgements or unusual transactions which indicate that there has been any misreporting of the financial position, that revenue or expenditure has been incorrectly recorded or that management has overridden controls.

Areas of Audit Focus (cont'd)

Inappropriate capitalisation of revenue expenditure (fraud risk/significant risk)

What is the risk?

Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.

We have assessed the risk is most likely to occur through the inappropriate capitalisation of revenue expenditure.

Our response to the key areas of challenge and professional judgement

We performed the following substantive procedures:

- Tested property, plant and equipment (PPE) additions to ensure that the expenditure incurred and capitalised is clearly capital in nature in line with the definition of capital expenditure in IAS 16;
- Assessed whether the capitalised spend clearly enhances or extends the useful life of the asset rather than simply repairing or maintaining the asset on which it is incurred;
- Considered whether any development or other related costs that have been capitalised are reasonable to capitalise i.e. the costs incurred are directly attributable to bringing the asset into operational use; and
- Identified and tested journals transferring expenditure from revenue to capital codes on the general ledger at the end of the year.

What are our conclusions?

We have not identified any PPE additions that were incorrectly capitalised, or which did not meet the statutory definition. No instances were identified where costs were not capital in nature.

Our testing of year-end journals did not identify any movements from expenditure to capital outside of the normal course of business.

Areas of Audit Focus (cont'd)

Valuation of land and buildings (significant risk – Group/PCC)

What is the risk, and the key judgements and estimates?

The fair value of property, plant and equipment (PPE) represent significant balances in the Group and the PCC's accounts at £104.731 million for year ended 31 March 2024. The land and building assets which form the main part of this balance are subject to valuation changes, impairment reviews and depreciation charges.

Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end land and building balances recorded in the balance sheet.

The valuation basis varies depending on the type of assets, and therefore subject to different input, estimation process and assumptions used.

ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

Management have engaged a new valuer for 2024/25. This increases the risk of material changes in valuations due to changes in assumptions and methodologies.

Our response to the key areas of challenge and professional judgement

We performed the following substantive procedures:

- Considered the work performed by the valuer, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work;
- Performed testing of key assumptions and methodologies on a sample of assets and considered the reasonableness of the estimation techniques employed;
- Sample tested key asset information used by the valuer in performing their valuation, and agreeing this to what has been recorded in the fixed asset register and general ledger;
- Considered if there are any specific changes to assets that have occurred and that these had been communicated to the valuer;
- Considered changes to useful economic lives as a result of the most recent valuation;
- Considered the annual cycle of valuations to ensure that assets have been valued within a 5 year rolling programme as required by the Code;
- Reviewed assets not subject to valuation in 2024/25 to confirm that the remaining asset base is not materially misstated;
- Tested accounting entries have been correctly processed in the financial statements; and
- Reviewed the disclosures to ensure this is adequate in relation to estimation uncertainty.

What else did we do and further relevant information

We understood the valuation methodology applied by the PCC's valuer and considered the changes in valuations from prior year. As a result, we engaged EY Real Estates, our internal specialists on asset valuations, to support our work in this area.

Valuation of land and buildings (Significant risk – Group/PCC) – cont'd

What are our conclusions?

- We did not identify any issues from our review of the work performed by the valuer over the PCC's assets, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work.
- Our sample testing of key assumptions and methodologies did not identify any material issues concerning the reasonableness of the estimation techniques employed or the values determined. We also received assurance from EY Real Estates confirming this was the case for the sample of assets they reviewed.
- We did not identify any specific changes to assets that had occurred that required communication to the valuer.
- We did not identify any issues in relation to the useful economic lives as a result of the most recent valuation.
- All assets had been appropriately revalued within the PCC's 5 year rolling programme.
- Testing of accounting entries confirmed they had been correctly processed and disclosed in the financial statements.

Areas of Audit Focus (cont'd)

Pension liability valuation (Inherent risk – Group/PCC/CC)

What is the risk, and the key judgements and estimates?

The Local Authority Accounting Code of Practice and IAS19 requires the PCC and CC to make extensive disclosures within their financial statements regarding their membership of the Local Government Pension Scheme administered by the Norfolk County Council and the Police Pension Scheme.

The respective PCC and CC's pension fund deficit is a material estimated balance, and the Code requires that this asset/liability be disclosed on the PCC and CC's balance sheet. At 31 March 2024 these totalled:

- PCC - £0 million; and
- CC - £1,404 million liability.

The information disclosed is based on the IAS 19 reports issued to the PCC and CC by the actuaries to the Norfolk Pension Fund and the Police Pension Scheme.

Accounting for these schemes involves significant estimation and judgement and therefore management engages actuaries to undertake the calculations on their behalf. ISAs (UK) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

Our response to the key areas of challenge and professional judgement

We performed the following substantive procedures:

- Liaised with the auditors of Norfolk Pension Fund, to obtain assurances over the information supplied to the actuary in relation to the PCC and CC;
- Assessed the work of the LGPS pension fund actuary (Hymans Robertson) and the Police Pension actuary (GAD), including the assumptions they have used by relying on the work of PwC - Consulting Actuaries commissioned by the National Audit Office for all local government sector auditors, and considered the reviews of these by the EY actuarial team;
- Evaluated the reasonableness of the pension fund actuaries' calculations by comparing them to the outputs of our own auditor's specialist's model;
- Determined whether asset ceiling adjustments, as required by IFRIC 14, have been appropriately applied and accounted for the LGPS pension asset; and
- Reviewed and tested the accounting entries and disclosures made within the Group, PCC and CC financial statements in relation to IAS19.

What are our conclusions?

- We have received assurance from the Norfolk Pension Fund auditor with regard to the information supplied to the actuary. No issues were identified, although we note that management corrected the LGPS pension liability following receipt of a revised IAS 19 report. This increased the pension liability by £156,000 as detailed in Section 05.
- We have reviewed the assessment of the Pension Fund actuary by PwC and EY Pensions and have followed up on relevant points. No issues were identified.
- We have received assurance from EY Pensions confirming that our own calculated estimate for the PCC and CC pension liabilities and LGPS asset ceiling are within the appropriate range.
- We have agreed the Group, PCC and CC's IAS 19 disclosures to the actuaries reports to ensure these are fairly stated in the accounts.

Areas of Audit Focus (cont'd)

Accounting for Private Finance Initiative (PFI) (Inherent risk – Group/PCC)

What is the risk, and the key judgements and estimates?

The PCC discloses two PFI contracts within its financial statements for the use of Jubilee House, Operations and Communication Centre at Wymondham and the use of six Police Investigation Centres shared with the Police and Crime Commissioner for Suffolk. At 31 March 2024, the PCC's share of the PFI liability was £49.5 million (PY was £51.5 million).

The liability and payments for services are dependent upon assumptions within the accounting models underpinning the PFI scheme. As such management is required to apply estimation techniques to support the disclosures within the financial statements.

Our response to the key areas of challenge and professional judgement

We performed the following substantive procedures:

- Enquired whether there have been any significant changes within the model since our previous review;
- Reviewed and assessed the impact of any changes in assumptions upon the model; and
- Agreed the models to the disclosures within the financial statements.

What else did we do and further relevant information

We considered the need to use EY FAAS, our internal specialists on PFI valuations, to support our work in this area and determined that this was not required.

What are our conclusions?

We have not identified any significant changes to the accounting model.

No issues were identified in our testing of PFI disclosures within the financial statements.

Areas of Audit Focus (cont'd)

Accounting for data breach issue (Inherent risk – Group/PCC)

What is the risk, and the key judgements and estimates?

While the 2021/22 audit was in progress, management reported a data breach that was discovered within the financial year 2022/23.

We assessed the financial impact of the data breach issues in previous years financial statements, against IAS37, *Provisions, Contingent Liabilities and Contingent Assets*, to assess the completeness and accuracy of the financial liability and disclosures.

The ICO's investigation has yet to be concluded and therefore it is currently unknown whether any financial penalty will be incurred and require inclusion in the accounts.

Until this matter is concluded the potential non-compliance with laws and regulations (NOCLAR) remains open. Therefore, the risk remains in that accounting for the data breach issue may not align with accounting standards and the CIPFA Code requirements.

Our response to the key areas of challenge and professional judgement

We performed the following substantive procedures:

- Reviewed management's assessment of the provisions and contingent liability in relation to the data breach issue; and
- Reviewed the disclosures in the financial statements for completeness and compliance with the relevant accounting standards, ensuring that all required information is disclosed.

What else did we do and further relevant information

We enquired as to the status of the ICO investigation.

What are our conclusions?

No issues were identified in our testing of provisions and contingent liabilities within the financial statements.

However, the ICO investigation remains open, although we understand that a draft report has been issued and no statutory fine is expected. Until the final report is issued it is currently unknown as to whether there will be any relevant findings.

Areas of Audit Focus (cont'd)

IFRS 16 implementation (Inherent risk – Group/PCC)

What is the risk, and the key judgements and estimates?

IFRS 16 Leases is applicable in local government for periods beginning 1 April 2024. It has been adopted, interpreted and adapted in the 2024/25 CIPFA Code of Practice on Local Authority Accounting which sets out the financial reporting framework for the PCC's 2024/25 accounts.

IFRS 16 eliminates the operating/finance lease distinction for leases and imposes a single model geared towards the recognition of all but low-value or short-term leases. Where the PCC is lessee these will now be recognised on the Balance Sheet as a 'right of use' asset and lease liability reflecting the obligation to make lease payments.

Successful transition will depend on the PCC having captured additional information about leases, both new and existing, especially regarding future minimum lease payments. The PCC will also have had to develop systems for capturing cost information that are fit for purpose, can respond to changes in lease terms and the presence of any variable (e.g., RPI-based) lease terms where forecasts will need to be updated annually based on prevailing indices.

The PCC performed an initial impact assessment in 2023/24 and expect to recognise a right of use asset of £1 million.

Our response to the key areas of challenge and professional judgement

We performed the following substantive procedures:

- Gained an understanding of the processes and controls developed by the PCC relevant to the implementation of IFRS 16, paying particular attention to the PCC's arrangements ensuring lease and lease-type arrangements considered are complete;
- Reviewed the discount rate used to calculate the right of use asset and assessed its reasonableness;
- Reviewed management policies, including whether to use a portfolio approach, low value threshold, and asset classes where management is adopting as the practical expedient to non-lease components;
- Gained assurance over the right of use asset included in the 2024/25 financial statements;
- Gained assurance over the PFI liability included in the 2024/25 financial statements;
- Sample tested leases to ensure that transition arrangements are correctly applied; and
- Considered the accounting for leases provided at below market rate, including peppercorn and nil consideration, and the need to make adjustments to cost in the valuation of right of use assets at the balance sheet date.

What else did we do and further relevant information

We obtained and inspected lease agreements as part of our sample testing to verify their existence and ensure they are fully signed with authorised signatures.

What is the status of our work and what are our conclusions?

We obtained the population of leases for which right of use assets and lease liabilities have been created as at 1 April 2024. This population totalled £1.1 million, and we selected one lease arrangement to perform further detailed testing. No material misstatements were identified as a result of this testing.

We also reviewed the financial statement disclosures for compliance with CIPFA Code of Practice on Local Authority Accounting. No issues were identified.

Whilst our sample testing of leases did not identify any issues with lease agreements, we are aware that work remains ongoing to ensure that formal lease agreements are in place for all leases. This was identified as a control weakness as part of the 2023/24 audit, and the recommendation remains as detailed in Section 06 of this report.



03 Value for Money

The PCC and CC's responsibilities for Value for Money (VFM)

The PCC and CC are required to maintain an effective system of internal control that supports the achievement of its policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at its disposal.

As part of the material published with its financial statements, the PCC and CC are required to bring together commentary on its governance framework and how this has operated during the period in a governance statement. In preparing its governance statement, the PCC and CC tailor the content to reflect its own individual circumstances, consistent with the requirements set out in the NAO Code of Audit Practice. This includes a requirement to provide commentary on its arrangements for securing value for money from their use of resources.

Risk assessment and status of our work

We are required to consider whether the PCC and CC have made 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources.

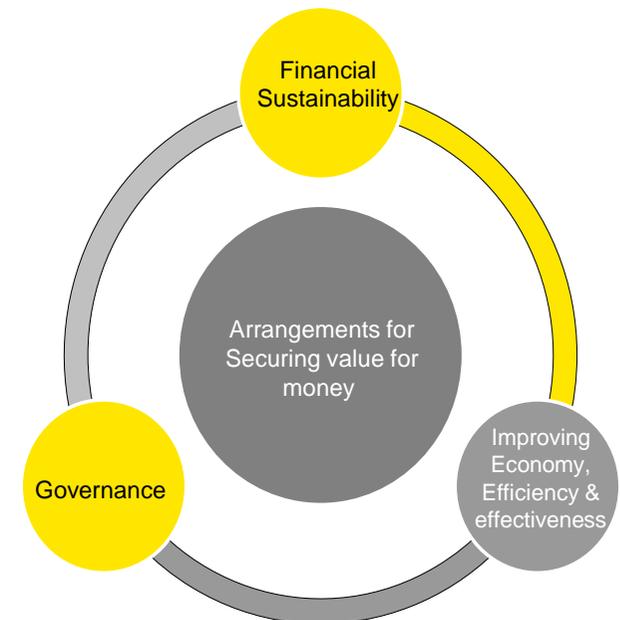
Our value for money planning and the associated risk assessment is focused on gathering sufficient evidence to enable us to document our evaluation of the PCC and CC's arrangements, to enable us to draft a commentary under three reporting criteria (see below). This includes identifying and reporting on any significant weaknesses in those arrangements and making appropriate recommendations.

We will provide a commentary on the PCC and CC arrangements against three reporting criteria:

- Financial sustainability - How the PCC and CC plan and manage their resources to ensure they can continue to deliver services;
- Governance - How the PCC and CC ensure that they make informed decisions and properly manage risks; and
- Improving economy, efficiency and effectiveness - How the PCC and CC use information about their costs and performance to improve the way they manage and deliver services.

We have completed our detailed VFM work and identified no risks of significant weaknesses in arrangements and therefore expect to have no matters to report by exception in our audit report.

We issued our VFM narrative commentary in our draft 2024/25 Auditor's Annual Report on 25 November 2025.





04 Audit Report

Draft audit report

We anticipate that the audit opinion for both the PCC and CC will be qualified for the reasons explained on page 5 of this report. The wording of the opinions will be provided in due course.



05 Audit Differences

In the normal course of any audit, we identify misstatements between amounts we believe should be recorded in the financial statements and the disclosures and amounts actually recorded. These differences are classified as 'known' or 'judgemental'. Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation.

Summary of audit differences

As at the date of this report, one misstatement has been identified and corrected by management. This amounts to £156,000 and relates to the correction of the LGPS pension liability in the balance sheet following receipt of an updated IAS 19 report. A corresponding adjustment has also been made to the pensions reserve. There is no impact on the Comprehensive Income and Expenditure Statement.

No unadjusted misstatements have been identified.

Disclosure misstatements

During the course of the audit, we identified a small number of disclosure adjustments which have been corrected by management.

These disclosure adjustments include:

- Notes to the Expenditure and Funding Analysis (PCC Note 6)
- Employees' Remuneration (PCC Note 8 / CC Note 8)
- Retirement Benefits (PCC Note 16/ CC Note 13)
- Financial Instruments (PCC Note 29)

We do not deem any of these to be so significant as to merit detailed reporting to you.



06

Assessment of Control Environment

Financial controls

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you significant deficiencies in internal control, including group-wide controls.

We have not identified any significant control deficiencies during the audit for either the PCC or CC.

During the audit, we did however make some observations in relation to management's financial processes and controls, which are also included in our update below.

Status of previous year's recommendations

In our 2023/24 Audit Results Report we identified scope for improvement in relation to the following items. An update is provided below.

Recommendation	Update
The PCC and CC should resolve any issues with the system interface and eliminate any remaining differences sitting within their control accounts	Testing of year-end payables included items relating to payroll deductions. A difference of £2,500 remains, between the payroll interface and payment to HMRC dating back to March 2015, in relation to income tax and national insurance. Therefore, this previous recommendation remains.
The PCC should ensure that all lease agreements are approved and signed before the commencement of the lease to which they relate.	Whilst our sample testing of leases in 2024/25 did not identify any issues we are aware that work remains ongoing to ensure that formal lease agreements are in place. Therefore, this previous recommendation remains.



07

Other Reporting Issues

Other Reporting Issues

Consistency of other information published with the financial statements, including the Annual Governance Statement

We must give an opinion on the consistency of the financial and non-financial information in the PCC and CC Statement of Accounts 2024/25 with the audited financial statements.

We must also review the Annual Governance Statement for completeness of disclosures, consistency with other information from our work, and whether it complies with relevant guidance.

Financial information in the PCC and CC Statement of Accounts 2024/25 and published with the financial statements was consistent with the audited financial statements.

We have reviewed the Annual Governance Statement and can confirm it is consistent with other information from our audit of the financial statements and we have no other matters to report.

Whole of Government Accounts

Alongside our work on the financial statements, we also review and report to the National Audit Office (NAO) on your Whole of Government Accounts return. The extent of our review, and the nature of our report, is specified by the NAO.

We have not yet performed the procedures required by the NAO on the Whole of Government Accounts submission. We cannot issue our Audit Certificate until these procedures are complete, and the NAO has confirmed no further procedures are required.

Other powers and duties

We have a duty under the Local Audit and Accountability Act 2014 (the Act) to consider whether to report on any matter that comes to our attention in the course of the audit, either for the PCC and CC to consider it or to bring it to the attention of the public (i.e. "a report in the public interest"). We are also able to issue statutory recommendations under Schedule 7 of Section 27 of the Act. Statutory recommendations under Schedule 7 must be considered and responded to publicly and are shared with the Secretary of State.

We did not identify any issues which required us to issue a report in the public interest or issue statutory recommendations under Schedule 7.



08

Independence

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and your company, and its directors and senior management and its affiliates, including all services provided by us and our network to your company, its directors and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

Relationships

There are no relationships from 1 April 2024 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

Services provided by EY

There are no services provided by EY from 1 April 2024 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity. As at the date of this report, there are no future services which have been contracted and no written proposal to provide non-audit services has been submitted.

EY has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained. Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the period ended 30 June 2025 and can be found here: [EY UK Transparency Report](#).

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Housing, Communities and Local Government.

This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work.

A breakdown of our fees is shown in the table to the right.

As set out in our Audit Plan the agreed fee presented was based on the following assumptions:

- ▶ Officers meeting the agreed timetable of deliverables;
- ▶ Our financial statements opinion and value for money conclusion being unqualified;
- ▶ Appropriate quality of documentation is provided by the PCC and CC;
- ▶ The PCC and CC have an effective control environment; and
- ▶ The PCC and CC comply with PSAA's Statement of Responsibilities of auditors and audited bodies. See <https://www.psa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/>. In particular, the PCC and CC should have regard to paragraphs 26 - 28 of the Statement of Responsibilities.

If any of the above assumptions prove to be unfounded, we seek a variation to the agreed fee. A narrative summary of the areas where we expect to raise scale fee variations for the audit of the PCC and CC are set out in the fee analysis on this page.

	Current Year 2024/25	Prior Year 2023/24
	£	£
Scale Fee - Code Work	155,007	140,490
Proposed scale fee variation	TBD Note 2	30,589 Note 1
Total audit fees	TBD	171,079

All fees exclude VAT

(1) As set in our 2023/24 Auditor's Annual Report a scale fee variation was submitted to PSAA covering the following areas:

- Revisions to ISA (UK) 315 - review of IT processes and applications as part of the risk identification and assessment process;
- Work of internal expert - EY Pensions engaged to review the reasonableness of the year-end liabilities and the application of IFRIC14 in relation to the asset ceiling. Roll-forward procedures were required for 2022/23 as well as 2023/24;
- IFRS16 - assessment of PCC preparedness to implement the changes required for 2024/25;
- Work to address the identified risk of significant weakness in VFM arrangements; and
- Disclaimer planning and reporting, including the cost of consultations.

As at the date of this report that scale fee variation has now been determined at a total value of £30,589.

(2) We propose to submit a scale fee variation to PSAA for additional 2024/25 work covering the following areas:

- Work of internal experts - EY Real Estate and EY Pensions
- IFRS16 - implementation
- Audit report - modification

This is subject to change until the audit is complete, and all additional scale fee variations are subject to PSAA approval.

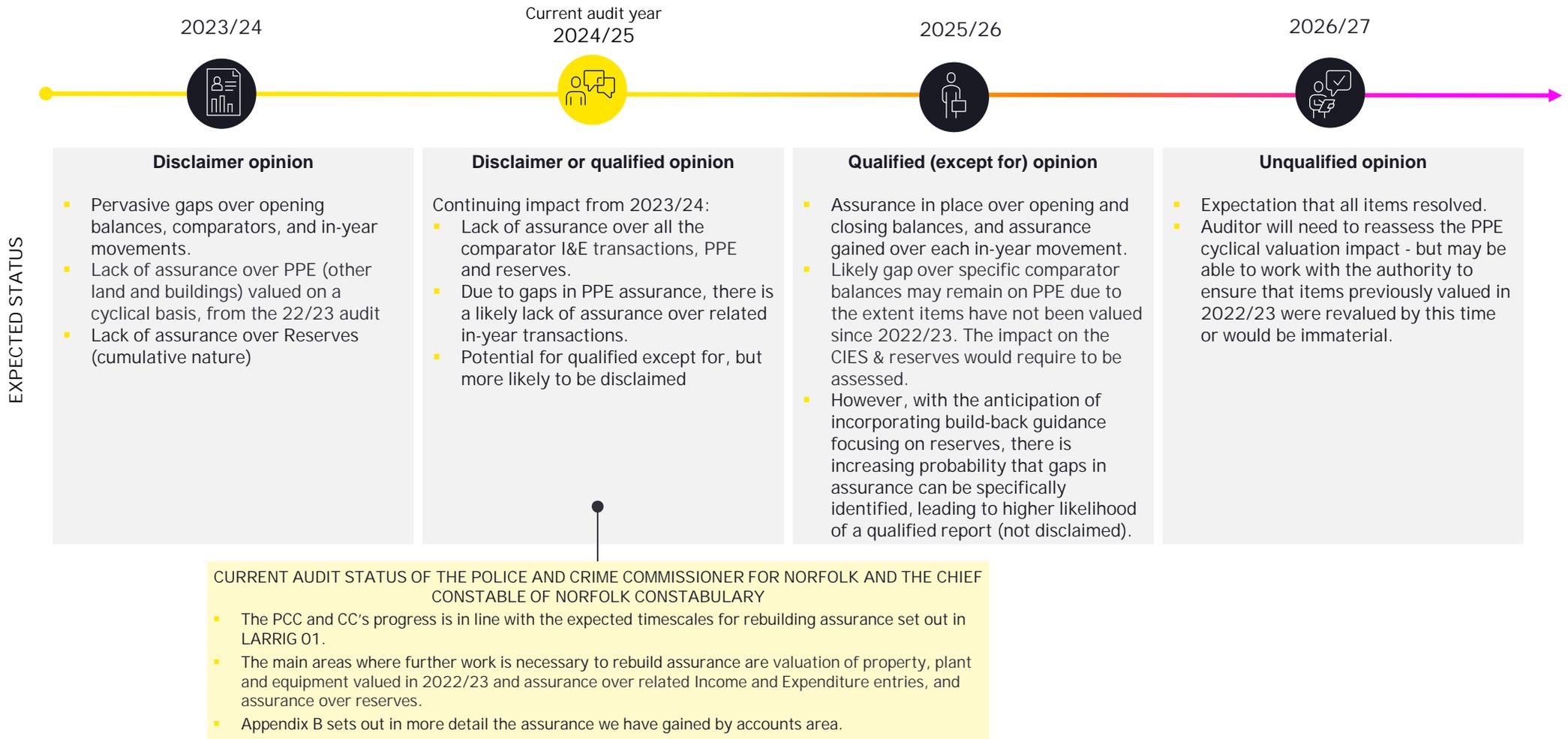


09 Appendices

Appendix A – Progress to full assurance

Progress to full assurance

Set out below is the illustrative timescale for the process of re-building assurance set out in the NAO’s Local Audit Reset and Recovery Implementation Guidance (LARRIG) 01, together with our view of the PCC and CC’s actual progress against that timescale, the reasons for that and what still needs to be done to successfully rebuild assurance. The timetable set out in LARRIG 01 assumes that disclaimers for 2022/23 and all prior open audit years were issued by the statutory backstop date of 13 December 2024.



Appendix B – Updated summary of assurances

Summary of Assurances

The table below summarises the audit work we have completed on the 2023/24 and 2024/25 financial statements to demonstrate to the committee the level of assurance that has been obtained as a result of the financial statements audit.

Account area	Assurance rating 2023/24	Assurance rating 2024/25	Summary of work performed
Property, Plant and Equipment (PPE) PCC	Partial	Partial	We have completed testing of the 2023/24 and 2024/25 additions and disposals to the fixed asset register, audited the valuation of a sample of assets revalued in 2023/24 and 2024/25 and performed procedures to obtain assurance over the existence of assets on the fixed asset register and the PCC's right to recognize those assets. However, until we are able to rebuild assurance over PPE additions, disposals and revaluations in 2022/23, we are unable to obtain full assurance over the completeness and valuation of PPE at 31 March 2025.
Right of Use (ROU) Assets PCC	N/A	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Short Term Debtors PCC	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Cash and Cash equivalents PCC	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Short Term Creditors PCC	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Borrowings (short and long term) PCC	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Provisions (short and long term) PCC	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
ROU Lease Liabilities PCC	N/A	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Private Finance Initiative (PFI) Liabilities PCC	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Pension Scheme Liabilities PCC and CC	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2024 and 31 March 2025.

Appendix B – Updated summary of assurances

Summary of Assurances (continued)

Account area	Assurance rating 2023/24	Assurance rating 2024/25	Summary of work performed
Reserves PCC and CC	None	None	We have completed our work on the movements in reserves in 2023/24 and 2024/25 but, until we have completed our work programme on the rebuilding of assurance following the disclaimed audit opinions, we are unable to obtain assurance over the useable and unusable reserves of the PCC and CC reported in the financial statements.
Comprehensive Income and Expenditure Statement PCC and CC	Partial	Partial	We completed our planned testing on the Comprehensive Income and Expenditure Statement in 2023/24 and 2024/25 but, as we do not have full assurance over income and expenditure entries relating to PPE, we are unable to obtain assurance that all movements recorded in the statement are accurate.
Cash Flow Statement PCC and CC	Partial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the 2023/24 and 2024/25 transactions and the closing balance at 31 March 2025.
Police Pension Fund Accounting Statements PCC and CC	Partial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the 2023/24 and 2024/25 transactions and the closing balance at 31 March 2025.
Financial Statement Disclosures PCC and CC	Partial	Partial	We completed our planned testing of financial statement disclosures in 2023/24 and 2024/25 but, as we do not have full assurance over opening balances as at 1 April 2024 and the impact of PPE movements in 2022/23 on the CIES, we are unable to obtain assurance that all disclosures are accurate. Key disclosures where we do not have full assurance include the Expenditure and Funding Analysis as this is linked to the Comprehensive Income and Expenditure Statement.

Appendix C – Required communications with those charged with governance

Required communications with those charged with governance

There are certain communications that we must provide to those charged with governance. We have detailed these here together with a reference of when and where they were covered:

		Our Reporting to you
Required communications	What is reported?	When and where
Terms of engagement	Confirmation by the audit committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Planning and audit approach	<p>Communication of:</p> <ul style="list-style-type: none"> ▪ The planned scope and timing of the audit ▪ Any limitations on the planned work to be undertaken ▪ The planned use of internal audit ▪ The significant risks identified <p>When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.</p>	Audit Plan – July 2025
Significant findings from the audit	<ul style="list-style-type: none"> ▪ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▪ Significant difficulties, if any, encountered during the audit ▪ Significant matters, if any, arising from the audit that were discussed with management ▪ Written representations that we are seeking ▪ Expected modifications to the audit report ▪ Other matters if any, significant to the oversight of the financial reporting process 	Audit Results Report – February 2026

Appendix C – Required communications with those charged with governance (cont'd)

		Our Reporting to you
Required communications	What is reported?	When and where
Going concern	<p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> ▪ Whether the events or conditions constitute a material uncertainty related to going concern ▪ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▪ The appropriateness of related disclosures in the financial statements 	Audit Results Report – February 2026
Misstatements	<ul style="list-style-type: none"> ▪ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation ▪ The effect of uncorrected misstatements related to prior periods ▪ A request that any uncorrected misstatement be corrected ▪ Material misstatements corrected by management 	Audit Results Report – February 2026
Fraud	<ul style="list-style-type: none"> ▪ Enquiries of the audit committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity ▪ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist ▪ Unless all of those charged with governance are involved in managing the entity, any identified or suspected fraud involving: <ul style="list-style-type: none"> ▪ Management; ▪ Employees who have significant roles in internal control; or ▪ Others where the fraud results in a material misstatement in the financial statements. ▪ The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected ▪ Matters, if any, to communicate regarding management's process for identifying and responding to the risks of fraud in the entity and our assessment of the risks of material misstatement due to fraud ▪ Any other matters related to fraud, relevant to Audit Committee responsibility. 	Audit Results Report – February 2026

Appendix C – Required communications with those charged with governance (cont'd)

		Our Reporting to you
Required communications	What is reported?	When and where
Related parties	<p>Significant matters arising during the audit in connection with the entity's related parties including, when applicable:</p> <ul style="list-style-type: none"> ▪ Non-disclosure by management ▪ Inappropriate authorisation and approval of transactions ▪ Disagreement over disclosures ▪ Non-compliance with laws and regulations ▪ Difficulty in identifying the party that ultimately controls the entity 	Audit Results Report – February 2026
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, integrity, objectivity and independence.</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> ▪ The principal threats ▪ Safeguards adopted and their effectiveness ▪ An overall assessment of threats and safeguards ▪ Information about the general policies and process within the firm to maintain objectivity and independence <p>Communications whenever significant judgements are made about threats to integrity, objectivity and independence and the appropriateness of safeguards put in place.</p>	<p>Audit Plan – July 2025</p> <p>Audit Results Report – February 2026</p>
External confirmations	<ul style="list-style-type: none"> ▪ Management's refusal for us to request confirmations ▪ Inability to obtain relevant and reliable audit evidence from other procedures. 	Audit Results Report – February 2026
Consideration of laws and regulations	<ul style="list-style-type: none"> ▪ Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur ▪ Enquiry of the audit committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the audit committee may be aware of 	Audit Results Report – February 2026

Appendix C – Required communications with those charged with governance (cont'd)

		Our Reporting to you
Required communications	What is reported?	When and where
Significant deficiencies in internal controls identified during the audit	<ul style="list-style-type: none"> Significant deficiencies in internal controls identified during the audit. 	Audit Results Report – February 2026
Group Audits	<ul style="list-style-type: none"> An overview of the type of work to be performed on the financial information of the components An overview of the nature of the group audit team’s planned involvement in the work to be performed by the component auditors on the financial information of significant components Instances where the group audit team’s evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor’s work Any limitations on the group audit, for example, where the group engagement team’s access to information may have been restricted Fraud or suspected fraud involving group management, component management, employees who have significant roles in group-wide controls or others where the fraud resulted in a material misstatement of the group financial statements. 	<p>Audit Plan – July 2025</p> <p>Audit Results Report – February 2026</p>
Written representations we are requesting from management and/or those charged with governance	<ul style="list-style-type: none"> Written representations we are requesting from management and/or those charged with governance 	Audit Results Report – February 2026
System of quality management	<ul style="list-style-type: none"> How the system of quality management (SQM) supports the consistent performance of a quality audit 	Audit Results Report – February 2026
Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	<ul style="list-style-type: none"> Material inconsistencies or misstatements of fact identified in other information which management has refused to revise 	Audit Results Report – February 2026
Auditors report	<ul style="list-style-type: none"> Any circumstances identified that affect the form and content of our auditor’s report 	Audit Results Report – February 2026

Outstanding matters

The following items relating to the completion of our audit procedures are outstanding at the date of the release of this report:

Item	Actions to resolve	Responsibility
Payroll	Completion of testing of employer deductions and starters and leavers	EY and management
Review procedures	Completion of final Manager and Partner review procedures	EY
Financial Statement review procedures	Receipt and final review of the revised Statement of Accounts	EY and management
Management representation letter	Receipt of signed management representation letter	EY, management and those charged with governance
Subsequent events review	Completion of subsequent events procedures to the date of signing the audit report	EY and management
Whole of Government Accounts	EY to complete Whole of Government Accounts work in line with group instructions and NAO to confirm no further procedures are required	EY and NAO

Until all our audit procedures are complete, we cannot confirm the final form of our audit opinion as new issues may emerge or we may not agree on final detailed disclosures in the Statement of Accounts. At this point no issues have emerged that would cause us to modify our opinion.

Appendix E – Regulatory update

The English Devolution and Community Empowerment Bill – Audit Measures

Background

On 16 December 2024, the Government published the English Devolution White Paper. The White Paper outlines how England is one of the most centralised countries in the world and contends that over-centralisation is holding back the prosperity of the regions. As a result, there is an intention from Government to widen and deepen devolution to local areas across England. The English Devolution and Community Empowerment Bill (the Bill) is intended to provide the legislative framework to do this by setting out a standardised framework of devolved powers, duties and functions. The bill is in six parts:

- Part 1 introduces the new devolution architecture for England, centred around the new category of “strategic authorities” (SAs). These are organisations designated by Government to have responsibility for strategy development and programme delivery over larger functional economic areas.
- Part 2 outlines the powers and duties which existing and future SAs will have, and the new process by which new powers and duties can be conferred on SAs by Government in the future.
- Part 3 is focused on measures designed to strengthen local government and communities.
- Part 4 is intended to strengthen the accountability of the local government sector by reforming the local audit system, including the establishment of the Local Audit Office (LAO) as the body responsible for overseeing local audit.
- Part 5 concerns the banning of upwards only rent review clauses for commercial leases to prevent vacant shops and regenerate high streets in communities across England.
- Part 6 contains the technical sections related to the Bill, including on regulations, commencement and extent.

The draft legislation can be found in full at [English Devolution and Community Empowerment Bill](#).

Part 4 of the Bill - Reforming local audit

The Bill is intended to overhaul the local audit system as is part of the wider measures to address the backlog in local government audit previously considered by this report. Specifically:

- The LAO will be established with the aim of radically simplifying the current audit system and bringing functions together under a single organisation with a clear remit. The LAO will be responsible for coordinating the system, standard setting, contracting, quality oversight and reporting. It will also support and enable wider measures to address pressing challenges, including reforms to financial reporting; strengthening audit capacity and capability; and establishing public provision of audit to support the private market.
- The LAO will be responsible for audit quality and the regulation of audit providers. Regulatory powers can be delegated.
- The LAO will be responsible for auditor appointment to all local audits other than for NHS bodies, will set indicative fees, publish those fees and make final determinations on the fees to be paid. The ability of local authorities to appoint their own auditors is removed.
- Audit firms will be required to nominate ‘lead individuals’ and have pre-approval of their own eligibility criteria.
- The responsibility for production of the Code of Audit Practice passes from the NAO to LAO. The LAO is also able to determine technical standards that auditors must follow.
- Statutory guidance for Audit Committees will be developed by LAO in conjunction with the Local Government Association, CIPFA and other relevant bodies.

We will continue to keep you updated as these arrangements develop.

Appendix F – Management representation letter

Management representation letter (draft)

Management Rep Letter

[To be prepared on the entity's letterhead]
[Date]

Ernst & Young LLP
400 Capability Green
Luton
Bedfordshire
LU1 3LU

The Police and Crime Commissioner for Norfolk Letter of Representations for the Financial Year 2024/25

This letter of representations is provided in connection with your audit of the consolidated and financial statements of the Police and Crime Commissioner and Chief Constable ("the Group") and the Police and Crime Commissioner for Norfolk ("the PCC") for the year ended 31 March 2025. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the Group and PCC financial statements give a true and fair view of (or 'present fairly, in all material respects,') the financial position of the Police and Crime Commissioner for Norfolk as of 31 March 2025 and of its financial performance (or operations) and its cash flows for the year then ended in accordance with, for the Group and the PCC, the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

We understand that the purpose of your audit of our Group and PCC financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with, for the Group and PCC, the Accounts and Audit Regulations 2015 and the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.
2. We acknowledge, as members of management of the Group and PCC, our responsibility for the fair presentation of the Group and PCC financial statements. We believe the Group and PCC financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Group and PCC in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, and are free of material misstatements, including omissions. We have approved the financial statements.
3. The material accounting policy information adopted in the preparation of the Group and PCC financial statements are appropriately described in the Group and PCC financial statements.
4. As members of management of the Group and PCC, we believe that the Group and PCC have a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 that are free from material misstatement, whether due to fraud or error.
5. There are no unadjusted audit differences identified during the current audit and pertaining to the latest period presented.
6. We confirm the Group and PCC does not have securities (debt or equity) listed on a recognized exchange.

Appendix F – Management representation letter

Management representation letter (draft)

Management Rep Letter

B. Non-compliance with laws and regulations, including fraud

1. We acknowledge that we are responsible to determine that the Group and PCC's business activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non-compliance with applicable laws or regulations, including fraud.
2. We acknowledge that we are responsible for the design, implementation and maintenance of a system of internal control to prevent and detect fraud and that we believe we have appropriately fulfilled those responsibilities.
3. We have disclosed to you the results of our assessment of the risk that the Group and PCC financial statements may be materially misstated as a result of fraud.
4. We have disclosed to you, and provided you full access to information and any internal investigations relating to, all instances of identified or suspected non-compliance with laws and regulations, including fraud, known to us that may have affected the Group or PCC (regardless of the source or form and including, without limitation, allegations by "whistle-blowers"), including non-compliance matters:
 - Involving financial improprieties
 - Related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the Group and PCC financial statements
 - Related to laws and regulations that have an indirect effect on amounts and disclosures in the Group and PCC financial statements, but compliance with which may be fundamental to the operations of the Group and PCC's business, its ability to continue in business, or to avoid material penalties
 - Involving management, or employees who have significant roles in internal control, or others
 - In relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. All material transactions have been recorded in the accounting records and are reflected in the Group and PCC financial statements.
3. We have made available to you all minutes of the meetings of shareholders, directors and committees of directors (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through 2024/25 to the most recent meeting on the following date: XX February 2026.
4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Group and PCC's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year-end. These transactions have been appropriately accounted for and disclosed in the Group and PCC financial statements.
5. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

Management representation letter (draft)

Management Rep Letter

6. We have disclosed to you, and the Group and PCC has complied with, all aspects of contractual agreements that could have a material effect on the Group and PCC financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
7. From the date of our last management representation letter through the date of this letter we have disclosed to you, to the extent that we are aware, any (1) unauthorized access to our information technology systems that either occurred or is reasonably likely to have occurred, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material effect on the Group and PCC financial statements, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the Group and PCC financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. We have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent, and have disclosed in Note [X] to the Group and PCC financial statements all guarantees that we have given to third parties.
4. No other claims in connection with litigation have been or are expected to be received.

E. Ownership of Assets

1. Except for assets recognised as right-of use assets in accordance with IFRS 16 Leases, the Group and PCC has satisfactory title to all assets appearing in the balance sheet(s), and there are no liens or encumbrances on the Group and PCC's assets, nor has any asset been pledged as collateral, other than those that are disclosed in Note [X] to the financial statements. All assets to which the Group and PCC has satisfactory title appear in the balance sheet(s).
2. All agreements and options to buy back assets previously sold have been properly recorded and adequately disclosed in the Group and PCC financial statements.
3. We have no plans to abandon lines of product or other plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of net realisable value.
4. There are no formal or informal compensating balance arrangements with any of our cash and investment accounts. Except as disclosed in Note [X] to the Group and PCC financial statements, we have no other line of credit arrangements.

F. Use of the Work of a Specialist

1. We agree with the findings of the specialists that we engaged to evaluate the Property, Plant and Equipment and Pension Fund valuations for LGPS and the Police scheme and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the Group and PCC financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

Management representation letter (draft)

Management Rep Letter

G. Estimates

1. We confirm that the significant judgments made in making the Property, Plant and Equipment and Pension Fund valuations for LGPS and the Police scheme have taken into account all relevant information of which we are aware.
2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making Property, Plant and Equipment and Pension Fund valuations for LGPS and the Police scheme.
3. We confirm that the significant assumptions used in making the Property, Plant and Equipment and Pension Fund valuations for LGPS and the Police scheme appropriately reflect our intent and ability to provide police services and pension benefits in line with our statutory responsibilities on behalf of the entity.
4. We confirm that the disclosures made in the Group and PCC financial statements with respect to the accounting estimates, including those describing estimation uncertainty are complete and are reasonable in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.
5. We confirm that appropriate specialized skills or expertise has been applied in making the Property, Plant and Equipment and Pension Fund valuations for LGPS and the Police scheme.
6. We confirm that no adjustments are required to the accounting estimate(s) and disclosures in the Group and PCC financial statements.

H. Retirement benefits

1. On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

I. Reserves

1. We have properly recorded or disclosed in the Group and PCC financial statements the usable and unusable reserves.

J. Contingent Liabilities

1. We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the Group and PCC financial statements or as the basis of recording a contingent loss (other than those disclosed or accrued in the Group and PCC financial statements).
2. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance.

K. Going Concern

1. Note [X] to the Group and PCC financial statements discloses all the matters of which we are aware that are relevant to the Group and PCC's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

L. Subsequent Events

1. As described in Note [X] to the Group and PCC financial statements, there have been no events subsequent to period end which require adjustment of or disclosure in the Group and PCC financial statements or notes thereto.

M. Group audits

1. Necessary adjustments have been made to eliminate all material intra-group unrealised profits on transactions amongst the PCC and CC.

Appendix F – Management representation letter

Management representation letter (draft)

Management Rep Letter

N. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises Group and PCC Annual Governance Statement and the Narrative Report.
2. We confirm that the content contained within the other information is consistent with the financial statements.
3. We confirm that the Annual Governance Statement for 2024/25 is a true reflection, in all material respects, of the governance arrangements and the effectiveness of those arrangements in 2024/25 and includes disclosure of all significant governance issues and findings relating to that financial year, through to the date of this letter.

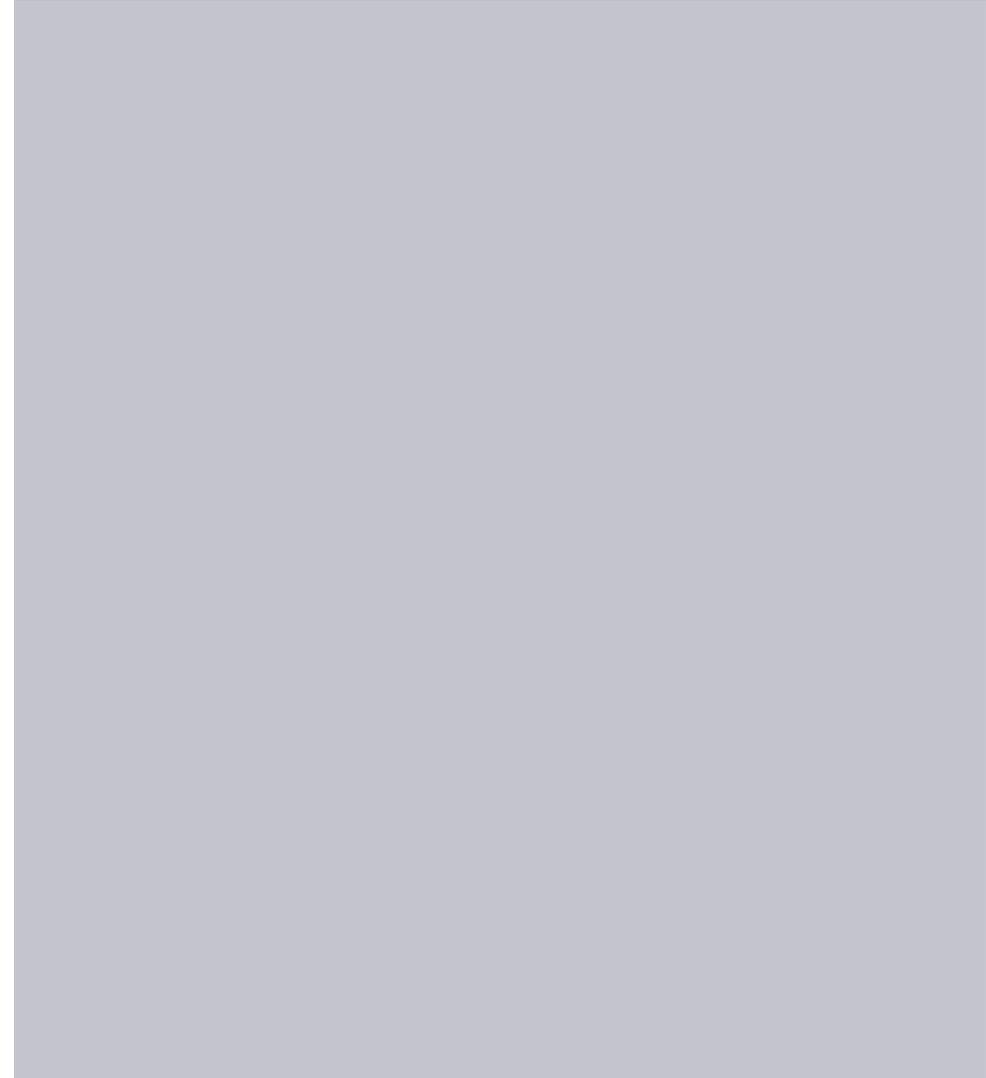
O. Climate-related matters

1. We confirm that to the best of our knowledge all information that is relevant to the recognition, measurement, presentation and disclosure of climate-related matters has been considered and reflected in the Group and PCC financial statements.
2. The key assumptions used in preparing the Group and PCC financial statements are, to the extent allowable under the requirements of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, aligned with the statements we have made in the other information or other public communications made by us.

Yours faithfully,

(Chief Financial Officer - PCC)

(Police and Crime Commissioner)



Appendix F – Management representation letter

Management representation letter (draft)

Management Rep Letter

[To be prepared on the entity's letterhead]
[Date]

Ernst & Young LLP
400 Capability Green
Luton
Bedfordshire
LU1 3LU

The Chief Constable of Norfolk Constabulary Letter of Representations for the Financial Year 2024/25

This letter of representations is provided in connection with your audit of the financial statements of The Chief Constable of Norfolk Constabulary ("the CC") for the year ended 31 March 2025. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of the financial position of the Chief Constable of Norfolk Constabulary as of 31 March 2025 and of its income and expenditure for the year then ended in accordance with CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

We understand that the purpose of your audit of our financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.
2. We acknowledge, as members of management of the CC, our responsibility for the fair presentation of the financial statements. We believe the financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the CC in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, and are free of material misstatements, including omissions. We have approved the financial statements.
3. The material accounting policy information adopted in the preparation of the financial statements are appropriately described in the financial statements.
4. As members of management of the CC, we believe that the CC has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 that are free from material misstatement, whether due to fraud or error.
5. There are no unadjusted audit differences identified during the current audit and pertaining to the latest period presented.
6. We confirm the CC does not have securities (debt or equity) listed on a recognized exchange.

B. Non-compliance with law and regulations, including fraud

1. We acknowledge that we are responsible to determine that the CC's activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non-compliance with applicable laws and regulations, including fraud.
2. We acknowledge that we are responsible for the design, implementation and maintenance of a system of internal control to prevent and detect fraud and that we believe we have appropriately fulfilled those responsibilities.

Management representation letter (draft)

Management Rep Letter

3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
4. We have disclosed to you, and provided you full access to information and any internal investigations relating to, all instances of identified or suspected non-compliance with law and regulations, including fraud, known to us that may have affected the CC (regardless of the source or form and including, without limitation, allegations by “whistleblowers”) including non-compliance matters:
 - involving financial improprieties;
 - related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the CC’s financial statements;
 - related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the CC’s activities, its ability to continue to operate, or to avoid material penalties;
 - involving management, or employees who have significant roles in internal controls, or others; or
 - in relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
3. We have made available to you all minutes of the meetings of the CC and Joint Independent Audit Committee (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through 2024/25 to the most recent meeting on the following date: XX February 2026.
4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the CC’s related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year-end. These transactions have been appropriately accounted for and disclosed in the financial statements.
5. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.
6. We have disclosed to you, and the CC has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
7. From the date of our last management representation letter through the date of this letter we have disclosed to you, to the extent that we are aware, any (1) unauthorized access to our information technology systems that either occurred or to the best of our knowledge is reasonably likely to have occurred based on our investigation, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants) , to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material impact to the financial statements, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

Management representation letter (draft)

Management Rep Letter

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. We have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent, and have disclosed in Note [X] to the financial statements all guarantees that we have given to third parties.
4. No other claims in connection with litigation have been or are expected to be received.

E. Use of the Work of a Specialist

1. We agree with the findings of the specialists that we engaged to evaluate the Pension Fund valuations for LGPS and the Police Pension Scheme and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

F. Estimates

1. We confirm that the significant judgments made in making the Pension Fund valuations for LGPS and the Police Pension Scheme have taken into account all relevant information of which we are aware.
2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the Pension Fund valuations for LGPS and the Police Pension Scheme.

3. We confirm that the significant assumptions used in making the Pension Fund valuations for LGPS and the Police Pension Scheme appropriately reflect our intent and ability to provide police services and pension benefits in line with our statutory responsibilities on behalf of the entity.
4. We confirm that the disclosures made in the financial statements with respect to the accounting estimate(s), including those describing estimation uncertainty, are complete and are reasonable in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.
5. We confirm that appropriate specialized skills or expertise has been applied in making the Pension Fund valuations for LGPS and the Police Pension Scheme.
6. We confirm that no adjustments are required to the accounting estimate(s) and disclosures in the financial statements.

G. Retirement benefits

1. On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

H. Reserves

1. We have properly recorded or disclosed in the financial statements the useable and unusable reserves.

I. Contingent Liabilities

1. We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the financial statements or as the basis of recording a contingent loss (other than those disclosed or accrued in the financial statements).

Appendix F – Management representation letter

Management representation letter (draft)

Management Rep Letter

2. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance.

J. Going Concern

1. Note [X] to the financial statements discloses all the matters of which we are aware that are relevant to the CC's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

K. Subsequent Events

1. As described in Note [X] to the financial statements, there have been no events subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.

L. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the CC Annual Governance Statement and the Narrative Report.
2. We confirm that the content contained within the other information is consistent with the financial statements.
3. We confirm that the Annual Governance Statement for 2024/25 is a true reflection, in all material respects, of the governance arrangements and the effectiveness of those arrangements in 2024/25 and includes disclosure of all significant governance issues and findings relating to that financial year, through to the date of this letter.

M. Climate-related matters

1. We confirm that to the best of our knowledge all information that is relevant to the recognition, measurement, presentation and disclosure of climate-related matters has been considered and reflected in the financial statements.
2. The key assumptions used in preparing the financial statements are, to the extent allowable under the requirements of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, aligned with the statements we have made in the other information or other public communications made by us.

Yours faithfully,

(Chief Financial Officer - CC)

(Chief Constable)

EY | Building a better working world

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

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All in to shape the future with confidence.

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Office of the Police and Crime Commissioner for
Norfolk and Chief Constable of Norfolk
Constabulary

Summary Internal Controls Assurance (SICA) Report

February 2026

Summary Internal Controls Assurance

Introduction

1. This summary controls assurance report provides the Audit Committee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work at Office of the Police and Crime Commissioner for Norfolk and Chief Constable of Norfolk Constabulary at the 11th February 2026.

Eco SMART

2. The UK public sector is facing increasingly structured and ambitious expectations around climate sustainability, driven by national policy, regulatory frameworks and public accountability. This is at a time when public funding is being stretched, with competing priorities and major reforms are taking place.

Key Themes for Sustainability and Implications

Materiality and Accountability – Sustainability goals, practices and information must be relevant to primary users and reflect significant risks or opportunities that the organisation faces.

Integration – The sustainability ambitions must be embedded across strategy, operations and governance, rather than siloed to areas of interest or knowledge.

Local Flexibility and National Alignment – organisations are encouraged to tailor climate strategies to local contexts while contributing to national targets.

Funding and Capacity Building – Multi-year funding, regulatory reform and skills development are critical enablers to effectively deliver climate sustainability goals, within financial, knowledge and resource constraints.

Next Steps

1. Review current sustainability practices, strategies and expectations.
2. Identify materiality, relevance, funding gaps and capacity needs in order to achieve the organisational objectives in relation to climate sustainability.
3. Engage Eco Smart to support assurance that expected objectives can be realised.

Find out more by clicking on this link: [Eco SMART - TIAA](#)

Audits completed since the last SICA report to the Audit Committee

3. The table below sets out details of audits finalised since the previous meeting of the Audit Committee.

Audits completed since previous SICA report

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
Corporate Governance	Reasonable	11/09/25	09/10/25	09/10/25	-	-	4	3
Communication Strategy	Substantial	08/10/25	21/10/25	22/10/25	-	-	1	-
Procurement Strategy and Compliance including waivers	Reasonable	12/11/25	22/01/26	23/01/26	-	1	2	-
Contract Management	Reasonable	07/11/25	27/11/25	02/12/25	-	3	1	1
Asset Management	Substantial	23/12/25	24/12/25	05/01/26	-	-	-	-
ICT Cyber Security	Substantial	22/12/25	10/02/25	11/02/25	-	-	-	-

4. The Executive Summaries for each of the finalised reviews are included at Appendix A.

Reports that are currently at draft report stage and awaiting management comments to finalise

5. The table below sets out the reports that are at draft report stage that are awaiting management comments to finalise.

Audits currently at draft report stage

Review	Evaluation	Comments
Risk Management	Reasonable	Exit meeting held 6 th February
Estates Strategy	Reasonable	Exit meeting being arranged

Progress against the 2025/26 Annual Plan

6. Our progress against the Annual Plan for 2025/26 is set out in Appendix B.

Changes to the Annual Plan 2025/26

7. There have been no changes to the 2025/26 internal audit plan.

Progress in actioning priority 1 & 2 recommendations

8. The recommendation trackers are provided for the Committee, shown in Appendix C which shows the status of outstanding recommendations.

Frauds/Irregularities

9. We have not been advised of any frauds or irregularities in the period since the last SICA report was issued.

Responsibility/Disclaimer

10. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. The matters raised in this report not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Appendix A: Executive Summaries

The following Executive Summaries and Management Action Plans are included in this Appendix. Full copies of the reports are available to the Audit Committee on request.

Review	Assurance Level
Corporate Governance	Reasonable Assurance
Communication Strategy	Substantial Assurance
Procurement Strategy and Compliance including waivers	Reasonable Assurance
Contract Management	Reasonable Assurance
Asset Management	Substantial Assurance
ICT Cyber Security	Substantial Assurance

Executive Summary – Corporate Governance

OVERALL ASSESSMENT	KEY STRATEGIC FINDINGS
 <p>The diagram illustrates the overall assurance level. A central yellow circle is labeled 'REASONABLE ASSURANCE'. This is enclosed within a blue ring containing the text 'Adequate & effective governance, risk and control processes'. To the right of the circle is a legend with four horizontal bars, each with a colored circle and a label: a green circle for 'SUBSTANTIAL ASSURANCE', a yellow circle for 'REASONABLE ASSURANCE', an orange circle for 'LIMITED ASSURANCE', and a red circle for 'NO ASSURANCE'.</p>	<p>Effective governance arrangements are in place for Norfolk and Suffolk Constabularies and the Norfolk and Suffolk Office of the Police and Crime Commissioners (OPCCs) to support decision making and accountability. Governance frameworks set out clearly the relationship and accountability between the OPCC and Chief Constable functions. Key governance documents are accessible on the OPCC websites' covering financial regulations, contract standing orders and assigned levels of delegations for authorised decision making. They also detail the collaborative arrangements between Norfolk and Suffolk constabularies and the Seven Force collaboration. Frameworks are consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA). The Norfolk Scheme of Governance and Consent and Code of Governance has been reviewed recently, but those of Suffolk require a review. A recommendation has been raised to address this.</p> <p>There is a formal meeting structure in place for the Norfolk and Suffolk Constabularies, and how they report into the OPCC, which is regularly reviewed. These needs updating in both governance framework documents as they have recently been revised. Reporting and escalation routes are clear, though not all groups have current terms of reference in place. The Norfolk Command Team and Suffolk Chief Officers Management Group do not currently have Terms of Reference, with the latter in development. The Joint Chief Officer Team meeting (JCOT) Terms of Reference require clarification of date and whether formally approved. A recommendation has been raised to address this.</p> <p>The Constabularies risk registers are presented to the Norfolk and Suffolk Constabularies Audit Committee meetings. The Norfolk OPCC risk register is presented to the Norfolk Audit Committee. Risks are reported and discussed in other for a and escalated as appropriate. A recommendation has been raised in relation to ensuring the Suffolk OPCC Audit Committee's role in overseeing risk management.</p> <p>Registers of interests and gifts and hospitality registers are maintained, but whilst the Norfolk PCC Accountability Meeting has a standing agenda item for declarations of interest, the Suffolk PCC Accountability Meeting does not.</p> <p>The delegated authority for decisions is clear in the Scheme of Governance and Consent, Financial Regulations, and Statement on Decision Making. Delegations are appropriately assigned to named individuals, not meetings. As decisions are discussed and made in meetings, however, there could be benefit in adding wording in the governance framework documents that those with delegated authority may 'remit' decisions to specific meetings, though the decision making remains at individual level.</p> <p>Meeting papers would be enhanced by indicating on agendas which items require decisions and the addition of authorised person/s in the meeting log against each decision for clarity. Attendance records for all meetings should be officially recorded.</p>

ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Risk of poor governance arrangements in place to support effective decision making, compliance and accountability.

SCOPE

The review looked to ensure that there are effective governance arrangements in place to ensure effective decision making. The audit covered the following;

- Adequacy of governance structure to support effective decision making and delivery of plans.
- An up-to-date Framework exists that includes the joint Code of Corporate Governance (the Code) which is consistent with the principles of the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government, including the requirements of the update from SOLACE dated May 2025 for application to annual governance statements for 2025/26 onwards.
- Governance of HMICFRS Police effectiveness, efficiency and legitimacy (PEEL) inspections.
- Risk management procedures to support effective risk management process.
- Supporting governance policies, strategies and procedures, including the Scheme of Governance and Consent, Code of Corporate Governance, Financial Regulations and Contract Standing Orders are up to date, and are accessible to all members of staff.
- Governance structures support the responsibilities of the Chief Constable regarding operational policing matters, the direction and control of police officers and police staff, and for putting in place proper arrangements for the governance of the Constabulary.
- Governance structures define the roles and responsibilities of the PCC in holding to account the Chief Constable for exercising those functions and those of the persons under the Chief Constable’s direction and control.
- Roles and responsibilities of the Corporate Governance Working Group are clearly defined and adhered to.
- A formal governance structure is in place which aligns to policies, strategies and procedures, including delegated levels of authority for decision making.

GOOD PRACTICE IDENTIFIED



Videos of the Norfolk and Suffolk PCC key public meetings are available on their websites.



There is appropriate governance of His Majesty’s Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) inspections, legislation and professional standards.

ACTION POINTS

Urgent	Important	Routine	Operational
0	0	4	3

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	There are established governance frameworks for the Office of the Norfolk and Suffolk Police and Crime Commissioners (OPCCs) and their respective constabularies which set out clearly the relationship and accountability between the OPCC and Chief Constable functions. These frameworks are accessible on the OPCC websites and include financial regulations, contract standing orders and assigned levels of delegations for authorised decision making. They also detail the collaborative arrangements between Norfolk and Suffolk constabularies and the Seven Force collaboration. Both frameworks are consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA). The Norfolk Scheme of Governance and Consent and Corporate Governance Framework (including the Code of Governance) are relatively up to date (May 2024 and January 2023 respectively) but those of Suffolk require a review.	The governance framework documents to be reviewed annually and updated where necessary; this could be at year-end when producing the Annual Governance Statement.	3	<i>Recommendation accepted.</i>	31/01/26	Chief Executive Officer Suffolk OPCC

PRIORITY GRADINGS

1 **URGENT** Fundamental control issue on which action should be taken immediately.

2 **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

3 **ROUTINE** Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	<p>There is a formal meeting structure in place, with appropriate membership, this is regularly reviewed to ensure effectiveness. Reporting and escalation are clear and appropriate reports are received.</p> <p>Meetings have clear terms of reference, although the Norfolk Command Team and Suffolk Chief Officers Management Group do not currently have Terms of Reference, with the latter in development. The Joint Chief Officer Team meeting (JCOT) Terms of Reference require clarification of date and whether formally approved.</p> <p>There is a clear programme management structure. The OPCCs publish a calendar of meetings for both public and private meetings.</p>	<p>Terms of Reference for the Norfolk Command Team and Suffolk Chief Officers Management Group to be finalised and regularly reviewed, explaining their role in terms of supporting delegated decision making. The JCOT Terms of Reference to be dated and approved, and process to be put in place to ensure JCOT Terms of Reference is reviewed regularly</p>	3	<i>Recommendations accepted.</i>	30/11/25	Suffolk ACO and Norfolk ACO
3	Delivery	<p>Both constabularies operate a performance management framework; reporting is to the constabulary senior command and onward to the PCC accountability meetings and Audit Committee, which publicly holds the chief constables to account for delivery of the two Police and Crime Plans and other key performance measures.</p> <p>The Norfolk and Suffolk Constabularies Governance meeting structures are explained in diagrams, though these now require updating since the governance structure has been revised. The Annual Governance Statement produced by both PCCs and both constabularies are in line with audit regulations.</p>	<p>The Norfolk and Suffolk Constabularies Governance Meeting Structure to be updated in the governance framework documents as they have recently been revised.</p>	3	<i>Recommendations accepted.</i>	30/11/25	Suffolk ACO and Norfolk ACO

PRIORITY GRADINGS

1

URGENT

Fundamental control issue on which action should be taken immediately.

2

IMPORTANT

Control issue on which action should be taken at the earliest opportunity.

3

ROUTINE

Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
4	Delivery	The approach to risk is set out in both Schemes of Governance and Consent with a risk management strategy for the PCC and a joint policy and procedure for the constabularies. Risks facing the constabulary are reported at senior level and to the PCC and discussed at PCC accountability meetings. The Norfolk OPCC Audit Committee considers the effectiveness of the risk management arrangements, and this is reported in the Annual Governance Statement. The Suffolk Audit Committee reviews the risk registers but not overall risk management arrangements. The Norfolk and Suffolk constabulary strategic risk registers record eleven and nine high level risks respectively, aligned to strategic priorities and using standard scoring matrix, mitigation treatments and tolerance levels. Risks are discussed in meetings, particularly in relation to transformation programmes.	The Suffolk Audit Committee to review the adequacy of risk management arrangements, in line with its terms of reference, and report on this in the Annual Governance Statement.	3	<i>Recommendation accepted.</i>	31/01/26	<i>Chief Finance Officer Suffolk OPCC</i>

PRIORITY GRADINGS

1 **URGENT** Fundamental control issue on which action should be taken immediately.

2 **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

3 **ROUTINE** Control issue on which action should be taken.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
1	Directed	The delegated authority for decisions is clear in the Scheme of Governance and Consent, Financial Regulations, and Statement on Decision Making. Delegations are assigned named individuals, not committees, and require assessment of risk. The PCC is required to publish a record of decisions of significant public interest in line with the Police Reform and Social Responsibility Act 2011.	Consider adding wording in the governance framework documents that those with delegated authority may 'remit' decisions to specific meetings, though the decision making remains at individual level. A schematic version of the narrative scheme of delegation may be helpful, such as that used for financial and contract delegations.	<i>This is a helpful suggestion. We review and update our Financial Regulations around December/ January and will take the opportunity to consider the action and implement as appropriate.</i>
2	Directed	Registers of interests and gifts and hospitality registers are maintained and published for both PCCs and constabularies in line with policy. The Norfolk PCC Accountability Meeting has a standing agenda item for declarations of interest, but the Suffolk Accountability and Performance Panel does not.	Consider the addition of declarations of interest to the Suffolk Accountability and Performance Panel meeting agenda.	<i>We will consider the inclusion of this as a standing agenda item at Suffolk's Accountability and Performance Panel meetings.</i>
3	Directed	Meetings are held at the required frequency these are quorate and operate in line with terms of reference and standing orders. Of the papers available for audit, they are appropriate to enable informed decisions to be made. The decisions reserved to the PCC are clearly explained in the governance framework documents and a record of decisions of significant public interest on the website in accordance with the Police Reform and Social Responsibility Act 2011. The Constabularies maintain decision logs for each meeting; delegations are to individuals with meetings providing a discussion forum to support decisions. Minutes and decision logs record unique reference numbers. There is provision for urgent decisions. The new Transformation and Change Board (replacing the Strategic Planning and Monitoring meeting) includes a comprehensive decision and action log, with rationale for decision, though the requisite delegated authority is not indicated. Attendance at the meeting is not recorded in the slide deck.	Consider indicating on agendas which items require decisions and the addition of authorised person/s in the meeting log against each decision for clarity. And include attendance records for all meetings with just action/decision notes.	<i>This is good practice and will be shared with the Programme Management Office that oversees governance across both Constabularies for consideration and implementation as appropriate.</i>

Executive Summary – Communication Strategy

OVERALL ASSESSMENT	KEY STRATEGIC FINDINGS
 <p>The diagram shows a central green circle labeled 'SUBSTANTIAL ASSURANCE' surrounded by a blue ring with the text 'Adequate & effective governance, risk and control processes'. To the right is a legend with four colored circles: green for 'SUBSTANTIAL ASSURANCE', yellow for 'REASONABLE ASSURANCE', orange for 'LIMITED ASSURANCE', and red for 'NO ASSURANCE'.</p>	<ul style="list-style-type: none"> <li data-bbox="1037 236 2119 368">  <p>Communications and engagement strategies for both Offices of the Police and Crime Commissioner (OPCC) and the constabularies are in place and aligned to their corresponding Police and Crime plans. The constabulary strategies, though dated 2021-2026, would benefit from updating.</p> <li data-bbox="1037 373 2119 472">  <p>The organisations utilise a range of planned and reactive media and digital communications externally and with staff and support equality and accessibility.</p> <li data-bbox="1037 477 2119 576">  <p>The communications and digital teams in constabularies and Norfolk PCC have sufficient resources and capacity; Suffolk PCC is currently recruiting a new communications officer.</p> <li data-bbox="1037 580 2119 713">  <p>The Norfolk constabulary monthly Command Team meeting has a standing item on communications, and the team produce a weekly chief officer briefing. The Suffolk constabulary Chief Officers Managers Group meetings do not have communication as standard agenda item.</p> <li data-bbox="1037 718 2119 817">  <p>The Constabularies are held to account for delivery of communications and engagement activities at OPCC accountability meetings and the PCCs by the Police and Crime Panel and annual reporting.</p>
ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE	GOOD PRACTICE IDENTIFIED
<p>Risk that communications strategies of the four organisations do not support the delivery of the Police and Crime Plans nor work coherently together.</p>	<ul style="list-style-type: none"> <li data-bbox="1037 903 2119 1010">  <p>The communication teams provide comprehensive training and guides, including use of social media before accessing social media accounts, to police officers, new starters and at leadership programmes.</p> <li data-bbox="1037 1015 2119 1163">  <p>There is a comprehensive joint Norfolk and Suffolk Constabulary Communications and Engagement Policy used by both forces as guidance for working with the media and releasing information into the public domain and supporting guidance on use of social media.</p> <li data-bbox="1037 1168 2119 1337">  <p>The communication and engagement strategies and plans for both Suffolk and Norfolk OPCC and for both the Suffolk constabulary and Norfolk constabulary are clear on monitoring arrangements using a range of qualitative and quantitative metrics, including media coverage and social media. The constabularies are exploring software to facilitate two-way engagement with staff.</p>
SCOPE	ACTION POINTS

The review assessed how the communications strategy aligns with the overall strategies for the Office and Police and Crime Commissioners and the Constabularies. The audit reviewed the following areas:

- An up-to-date Communications Strategy exists that aligns and supports the OPCCs and Constabularies and their objectives.
- The Communications Strategy is compliant with guidance issued by the College of Policing Authorised Professional Practice, the National Police Chief's Council (NPCC), Communications Advisory Group (CAG) and relevant legislation.
- The Communications Strategy promotes equality, eliminates unlawful discrimination and actively promotes good relations regardless of age, disability, gender reassignment, marriage or civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation, economic or family status.
- A joint Communications Team ensures the Communications Strategy is adhered to when engaging with the public and the media, including the use of social media.
- Staff are aware of their responsibilities to ensure the policy is applied correctly and fairly and have received the requisite training.

Urgent	Important	Routine	Operational
0	0	1	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	<p>There are communications and engagement strategies and plans in place for both the Norfolk and the Suffolk Offices of the Police and Crime Commissioners (OPCC) and for Norfolk constabulary and Suffolk constabulary which have been aligned to the delivery of the respective Police and Crime plans.</p> <p>The constabulary strategies, though dated 2021-2026, would benefit from updating.</p>	The constabulary communications and engagement strategies to be updated to reflect current landscape changes.	3	<p><i>Plans are underway for a new Communications and Engagement Strategy for Norfolk constabulary to be published in 2026, ensuring it is reflective of changes in the news media and social media landscape, as well as supporting relevant force priority areas.</i></p> <p><i>Suffolk constabulary also intend to update their current communication and engagement strategy 2021-2026, again to ensure it is reflective of changing media and engagement demands, as well as supporting relevant force priority areas.</i></p>	<p>30/09/26</p> <p>30/09/26</p>	<p>Norfolk Constabulary Corporate communications Manager</p> <p>Suffolk Constabulary Corporate Communications Manager</p>

Executive Summary – Procurement strategy and compliance including waivers

OVERALL ASSESSMENT	KEY STRATEGIC FINDINGS
	<ul style="list-style-type: none"> <li data-bbox="1093 316 2132 451">  <p>The Constabularies are prepared for the changes implemented by the Procurement Act 2023. Policies and Contract Standing Orders have been updated to incorporate the new requirements, and staff involved in purchasing have been trained on the new Procurement Act 2023.</p> <li data-bbox="1093 459 2132 571">  <p>A contract register is maintained, of all contracts with a value over £60k. This is supported by a procurement pipeline of upcoming procurement exercises, to ensure that contracts close to expiry or new requirements are being acted on promptly.</p> <li data-bbox="1093 579 2132 754">  <p>Sample testing of contracts confirmed that appropriate procurement processes had been followed and Contract Standing Orders had been adhered to. This applied to contracts over £60k, procured with 7 Forces support, and those under £60k procured locally. Audit testing identified a case where a contract had been signed but this should have been a deed, as it was a construction contract over £250k.</p> <li data-bbox="1093 762 2132 922">  <p>The current version of the Strategic Procurement Policy is not published on either the Norfolk or Suffolk Constabulary website, only an old version is. Current Contract Standing Orders are published on both the Norfolk and Suffolk Constabulary websites. However, only previous versions of the Contract Standing Orders are published on the Norfolk and Suffolk Police and Crime Commissioner websites.</p>
ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE	GOOD PRACTICE IDENTIFIED
<p>Non-compliance with procurement rules, including the new Procurement Act 2023.</p>	<ul style="list-style-type: none"> <li data-bbox="1093 1018 2132 1098">  <p>Sustainability and social value are included in procurement policies and are considered as part of every procurement exercise.</p> <li data-bbox="1093 1106 2132 1281">  <p>7 Forces maintain a procurement pipeline of all current and upcoming procurement activity. Each record in the pipeline shows the category area, scope, current supplier (if there is one), force(s), estimated value and target award date. It also states, for each procurement, which legislation is applicable: Public Contracts Regulations 2015 or Procurement Act 2023.</p> <li data-bbox="1093 1289 2132 1369">  <p>Single Tender Actions (STAs) are well controlled and only used when strictly necessary. Only two STAs had been used in the last 12 months.</p>

SCOPE	ACTION POINTS								
<p>The review considered controls in place to ensure compliance with the Procurement Act 2023 and covered the following areas;</p> <ul style="list-style-type: none"> • Policies and procedures, to ensure there is an up-to-date Procurement Strategy that includes the requirements of the new Procurement Act (effective from 24/02/25). • Completeness and accuracy of the contract register to ensure it is reflective of the organisation's current contractual obligations and to check that action is being taken on any contracts nearing expiration. • Process for the procurement of works, services, and supplies, providing assurance that the organisations' financial procedure rules / regulations have been followed, specifically relating to quotations and tenders. This to include receipt of electronic tenders. • Waivers and exemptions, to confirm that they are only applied in accordance with correct procedures, with supporting justification, and are authorised in accordance with correct levels of delegated authority. • Monitoring of aggregated annual spend to ensure that financial procedure rules / procedures are not being bypassed relating to quotations and formal tendering. <p>The audit also looked to ensure that there is compliance at departmental level with procurement rules.</p>	<table border="1" data-bbox="1120 491 2078 632"> <thead> <tr> <th data-bbox="1120 491 1357 560">Urgent</th> <th data-bbox="1357 491 1597 560">Important</th> <th data-bbox="1597 491 1836 560">Routine</th> <th data-bbox="1836 491 2078 560">Operational</th> </tr> </thead> <tbody> <tr> <td data-bbox="1120 560 1357 632">0</td> <td data-bbox="1357 560 1597 632">1</td> <td data-bbox="1597 560 1836 632">2</td> <td data-bbox="1836 560 2078 632">0</td> </tr> </tbody> </table>	Urgent	Important	Routine	Operational	0	1	2	0
Urgent	Important	Routine	Operational						
0	1	2	0						

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	<p>Analysis of aggregate spend in 2025/26 was undertaken and compared to the contracts register. This identified multiple instances of spend over £60k with suppliers where there was no contract in place, or the spend was significantly over the contract value. Excluding payments to other public sector organisations, there were 49 suppliers with no contract and a further 17 with spend above the contract value.</p> <p>7F Commercial Services monitor spend, but this is constrained by the accuracy and timeliness of the data available, due to staff not consistently using the Atamis system to obtain quotes.</p>	<p>Ensure that the Atamis quick quotes portal is used to obtain quotes for purchases between £6k and £60k, in accordance with Contract Standing Orders and local guidance. This will enable more frequent analysis of spending and reduce non-compliance with requirements for contracts to be in place and identify timely overspends.</p> <p>Action to be taken to address areas of non-compliance and to establish if contracts need to be in place for spend over £60k and to ensure contract values agree with spend.</p>	2	<p><i>Agreed, this will be undertaken in conjunction with finance.</i></p> <p><i>The exceptions will be reviewed and action taken to address.</i></p>	30/04/26	Senior Commercial Support Manager.
2	Directed	<p>The current version of the Strategic Procurement Policy is not published on either the Norfolk or Suffolk Constabulary website, only an old version is.</p> <p>The up-to-date Contract Standing Orders are published on both Constabulary websites. However, only previous versions are published on the Norfolk and Suffolk Office of the Police and Crime Commissioners (OPCC) websites.</p>	<p>Ensure that the current versions of the Strategic Procurement Policy and Contract Standing Orders are published on the Constabulary and OPCC websites.</p>	3	<p><i>Constabulary and PFCCs will be sent up to date policy and CSOs for publication.</i></p>	01/03/26	Commercial Support Manager.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Directed	A sample of ten contracts was reviewed to check that the correct procurement process had been followed. In one case, a contract had been signed but should have been a deed, as it was a construction contract over £250k.	Ensure that the correct method of executing a contract is used, in line with Contract Standing Orders.	3	<i>This was a one off error, the member of staff has been reminded of the need to execute a deed in future.</i>	01/02/26	<i>Senior Commercial Support Manager.</i>

Executive Summary – Contract Management

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Assurance was provided over the adequacy and effectiveness of the Forces contract management arrangements.

KEY STRATEGIC FINDINGS

- 

Joint Contract Management Guidelines are in place for Norfolk and Suffolk Constabularies; however, they lack version control and have not been updated since 2016. The Joint Contract Management Guidelines need to be reviewed to ensure that they cover required areas. And going forward a process needs to be put in place to ensure the Joint Contract Management Guidelines are reviewed at set designated intervals.
- 

Contracts above £60k are recorded and monitored using the Atamis system. Each contract has been graded as gold, silver, and bronze with key information retained for each contract. Seven Forces (7F) do not retain documentation on Atamis for Key Performance Indicators (KPIs), spend, and associated risks for silver and bronze contracts.
- 

Data analysis of the 7F contract register identified discrepancies between information recorded and retained on the system. A total of 246 contracts were identified as relating to Norfolk and Suffolk on the register. Testing identified the following exceptions:

 - Six contracts on the register do not have an assigned stakeholder.
 - Six contracts have end dates that have now expired; however, the contract status remains set to “active”.
- 

Sample testing of 7F contracts identified that retained documentation were not signed or dated by relevant authorising officers. Test results found that there were some exceptions:

 - In two cases, contract variation forms were not signed and dated by delegated officers.
 - In one case, a call off contract was not signed or dated by the delegated officers.

GOOD PRACTICE IDENTIFIED

- 

Risks associated with each contract can be logged and monitored on the Atamis system.
- 

Relevant documentation for contract such as, insurance documents, signed agreements, contract variations, expenditure records, key performance indicators, and savings is stored within Atamis.
- 

Processes are in place to escalate poor performance. 7F are able to support and escalate poor performance where appropriate.

SCOPE

The review looked to ensure that there are effective governance arrangements in place in relation to contract management.

The audit focused on the following areas:

- Governance structure in place to ensure that contracts are managed appropriately, ensuring that there is appropriate guidance in place.
- Appropriateness of training to ensure contracts are managed appropriately and contract managers have appropriate skills to manage contracts.
- Accountability and resilience for contract management.
- Effectiveness of contract monitoring arrangements and compliance with agreed procedures including contract monitoring meetings and ensuring appropriate KPIs agreed.
- Arrangements for ensuring contracts are extended appropriately.
- Arrangements for ensuring any variation of contracts are identified and appropriately documented.
- Effectiveness of management information and reporting arrangements for ensuring compliance with agreed contracted spend.
- Process for escalating poor performance.

ACTION POINTS

Urgent	Important	Routine	Operational
0	3	1	1

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	<p>Joint Contract Management Guidelines are in place for Norfolk and Suffolk Constabularies and are distributed to all Heads of Services to provide to staff as required.</p> <p>The guidelines were created in 2016 and outline key information including the roles of key staff in the process, the contract management cycle, common causes of contract failure, the contract management plan, and associated responsibilities.</p>	To ensure that Contract Management Guidelines are reviewed and version controlled (i.e. when it was approved and published, who it was approved by and when it is next due for review) to remain accurate, up to date, and aligned with current legislation. A process needs to be put in place to ensure Contract Management Guidelines are reviewed at set intervals.	2	<i>7FCS are producing guidance for operational contract managers.</i>	31/03/26	<i>Heads of Category.</i>
2	Directed	<p>The Atamis system retains information for gold contracts, which are managed by the relevant Supplier Relationship Manager (SRM). SRMs are expected to update/retain key information on the system for each gold contract that is managed, which includes, variations, contract savings/benefits, performance/issues, documents (contractor meetings, performance reports, etc), expenditure, and risks.</p> <p>Documentation for silver and bronze is not typically retained on Atamis by 7F with service areas/stakeholders expected to be engaging with suppliers on a day-to-day basis unless 7F support is specifically requested.</p> <p>Stakeholders within Norfolk and Suffolk Constabularies do not all have direct access to the Atamis system and are not required to upload contract documentation into the system and currently only use the system for procurement purposes.</p>	Management to implement an alternative process for updating and maintaining key contract information to ensure that contract records for all Silver, and Bronze remain accurate, centralised, and up to date.	2	<i>Contract documents for over £60k are stored on Atamis by 7Force Commercial staff.</i>	Complete	<i>n/a</i>

PRIORITY GRADINGS

1

URGENT

Fundamental control issue on which action should be taken immediately.

2

IMPORTANT

Control issue on which action should be taken at the earliest opportunity.

3

ROUTINE

Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Directed	<p>Sample testing was conducted of 15 contracts on 7F contract register valued above £60,000 to confirm that current contracts and supporting documentation are complete and appropriately maintained (including up to date insurance details and other relevant information).</p> <p>The review also assessed whether contract management processes are fit for purpose and operating adequately in departments, with appropriate arrangements in place for monitoring contract spend, performance and maintaining financial and management information. Test results found that:</p> <ul style="list-style-type: none"> In two cases, contract variation forms were not signed and dated by delegated officers. In one case, a call off contract was not signed or dated by the delegated officers. 	Management to ensure that all contract documents including variations and call-off contracts, are appropriately reviewed, signed, and dated by delegated officers. A periodic review process to be implemented to confirm that all contract records are complete and updated.	2	<i>A periodic audit of contract info on Atamis will be conducted to identify any issues. Staff will also be reminded of the need for ensuring documents are fully completed and uploaded to the system.</i>	31/01/26	Senior Commercial Support Manager.
4	Directed	<p>Data analysis was conducted on the 7F contract register for Norfolk and Suffolk Constabularies to confirm that contract records are complete, accurate, and maintained accordingly. A total of 246 contracts were identified for Norfolk and Suffolk on the register. Testing identified:</p> <ul style="list-style-type: none"> Six contracts on the register do not have an assigned stakeholder. Six contracts have end dates that have now expired; however, the contract status remains set to "active". 	Management to review and update the contract register to ensure that all contract terms such as stakeholders, contract status, start and end dates are complete and accurate.	3	<i>A periodic audit of contract info on Atamis will be conducted to identify any issues. Staff will also be reminded of the need for fields are populated and reflect the current status. are fully completed and uploaded to the system.</i>	31/01/26	Senior Commercial Support Manager

PRIORITY GRADINGS

1

URGENT

Fundamental control issue on which action should be taken immediately.

2

IMPORTANT

Control issue on which action should be taken at the earliest opportunity.

3

ROUTINE

Control issue on which action should be taken.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
1	Directed	<p>Training is available to Norfolk and Suffolk Constabularies by Bluelight Commercial who provide training courses to staff involved in procurement activity and contract management.</p> <p>Procurement and contract management training is not currently mandatory for staff. Attendance is at the discretion of individual managers/officers, and refresher training sessions are not routinely undertaken.</p>	<p>Management to consider implementing refresher training for contract management for stakeholders which is undertaken at regular intervals.</p>	<p><i>Guidance being produced by 7FCS on contract management, supported by free training available from BLC or GCC. The idea of mandated induction training for those with contract management responsibility is a good one but would be a local force consideration and we would point to BLC/GCC.</i></p> <p><u>Head of Payments, Supplies and Commercial comments.</u></p> <p><i>Both BLC/GCC provide free Contract Management training on a self-learning modular basis with a final test and will provide an accreditation for those that pass the assessment.</i></p> 

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Executive Summary – Asset Management

OVERALL ASSESSMENT
 <p>The diagram illustrates the assurance level. It features a central green circle labeled 'SUBSTANTIAL ASSURANCE' surrounded by a blue ring with the text 'Adequate & effective governance, risk and control processes'. To the right, a vertical scale shows four levels: 'SUBSTANTIAL ASSURANCE' (green), 'REASONABLE ASSURANCE' (yellow), 'LIMITED ASSURANCE' (orange), and 'NO ASSURANCE' (red). The 'SUBSTANTIAL ASSURANCE' level is highlighted.</p>
ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE
<p>Assets are not correctly accounted for or their values are materially misstated.</p>

KEY STRATEGIC FINDINGS
<p> The Constabularies' rules and processes for capitalisation of assets are defined in the Joint Capitalisation Policy, which aligns with accounting standard IAS 16 - Property, Plant and Equipment.</p>
<p> All assets are recorded on the asset register, with a unique asset number. The record contains sufficient information to identify the asset and to ensure that its value can be calculated in accordance with policy. Operational information about assets is held in other systems, rather than on the asset register.</p>
<p> The asset register is updated monthly with additions, adjustments and disposals. Changes are reconciled before they are finalised. The asset register is reconciled to service systems annually, to ensure that accounting records match those held by departments that manage the assets.</p>
<p> Land and buildings are revalued on a five-year rolling programme. Other assets are carried at cost minus depreciation, which is applied in accordance with policy.</p>
GOOD PRACTICE IDENTIFIED
<p> The asset register is reconciled to other systems that are used to record assets, to ensure that the asset register is complete and accurate.</p>
<p> Appropriate insurance is in place for assets; insurance levels are reviewed regularly to ensure appropriate.</p>
<p> There is adequate resilience in the finance team to undertake their role.</p>

SCOPE

The review considered controls in place in relation to asset management, in particular maintenance of the asset register, acquisitions and disposals, revaluations, insurance and maintenance of assets.

The review considered the following;

- The arrangements including compliance with financial regulations and delegated authorisations) and any other local guidance / procedures.
- Assets are accurately recorded including acquisitions along with their value and any disposals. This to include all PFI assets.
- Acquisitions and disposals are processed in accordance with Financial Regulations.
- Assets are revalued in accordance with CIPFA requirements.
- Assets are marked as the property of the organisation/PFI.
- Access to assets is controlled including details of who assets have been allocated to and that they are returned when staff leave the organisation.
- Maintenance of assets to ensure they comply with requisite safety checks.
- Assets are adequately insured.

ACTION POINTS

Urgent	Important	Routine	Operational
0	0	0	0

Executive Summary – ICT Cyber Security

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Non-compliance with SyAp requirements as set out by UK Government.

SCOPE

An assessment of the Forces' SyAp work and assurance over the work being conducted to comply with that requirement.

KEY STRATEGIC FINDINGS

-  Compliance with SyAp requirements is adequate and we concur with the overall compliance assessment that has been applied.
-  The Forces are required to meet a score of two out of a possible Five for their SyAp work. The score is a simple average across 110 requirements, and our audit work suggests that this score is an accurate reflection of the current position and is reflected in the audit opinion shown.
-  The required score is set nationally and is expected to rise to 2.5 in the near future.

GOOD PRACTICE IDENTIFIED

-  The SyAp process has been utilised as required and we note that there is early work to update the way that the current process works in line with changed compliance direction set nationally.
-  There is good interaction between the Forces and the Police Digital Service, who have contributed to the compliance process by suggesting improvements to certain processes.

ACTION POINTS

Urgent	Important	Routine	Operational
0	0	0	0

Appendix B: Progress against Annual Plan

2023/24 Plan – Reports issued since 1st April 2024

System	Audit Days	Planned Quarter	Current Status	Audit Committee Reporting	Comments
23/24 Out of Court Disposals (OOCs)	12	3	Final report – issued 25/06/24	July 2024	Private report. Reported July 2024
22/23 Security of Seized Proceeds of Crime (Cash and Assets)	10	2	Final report issued	July 2024	Private report.
23/24 Staff Appraisals	12	2	Final report issued	July 2024	
23/24 Data Quality	12	3	Final report issued	July 2024	
23/24 Procurement Strategy and Compliance	12	3	Final report	September 2024	
22/23 Agile Working	10	2	Final report	September 2024	
22/23 Firearms Licensing	10	3	Final report	September 2024	Private report.
22/23 Resource Management Unit	10	3	Final report	September 2024	
22/23 Succession Planning	10	2	Final report	September 2024	
23/24 Key Financial Controls	16	4	Final report	September 2024	
23/24 New E-recruitment systems	16	2	Final report	September 2024	
22/23 Vetting	10	4	Final report	February 2025	
22/23 Commissioners Grants	10	2	Final report	February 2025	
22/23 Community Safety Partnership	12	3	Final report	July 2025	Norfolk OPCC only – Private report.

2024/25 Plan

System	Audit Days	Planned Quarter	Agreed Start Date	Audit Committee Reporting	Current Status	Comments
23/24 Limited Duties	16	2	25/06/2024	February 2025	Final report issued	Reported in private part of the Audit Committee
24/25 Corporate and HR Policies	13	2	27/08/2024	December 2024	Final report issued	
23/24 Risk Management	10	4	30/07/2024	December 2024	Final report issued	
24/25 Recruitment and Induction Training	15	2	01/10/2024	February 2025	Final report issued	
24/25 Fleet Maintenance	16	2	01/10/2024	February 2025	Final report issued	
24/25 Payroll	15	2	22/11/2024	March 2025	Final report issued	
24/25 Key Financial Controls	25	4	21/01/2025	March 2025	Final report issued	
23/24 Culture and Required Behaviour	12	2	25/06/2024	July 2025	Final report issued	
24/25 Workforce Planning	12	2	21/11/2024	July 2025	Final report issued	
24/25 Retention of Staff	15	3	18/02/2025	July 2025	Final report issued	
22/23 Data Protection / Freedom of Information	10	2	07/01/2025	July 2025	Final report issued	
23/24 Fleet Management Strategy	12	4	01/04/2025	July 2025	Final report issued	
24/25 Contract Business Continuity	16	4	01/04/2025	July 2025	Final report issued	
24/25 Safeguarding	12	4	27/01/2025	October 2025	Final report issued	
24/25 Complaints	12	4	25/02/2025	October 2025	Final report issued	
22/23 ICT Strategy combined with ICT Project Management	22	2	16/12/2024	October 2025	Final report issued	
22/23 ICT Cyber Security Maturity	22	2	14/11/2024	February 2026	Final report issued	
24/25 Commissioner and Partnerships	18	4	17/02/2025	Next Audit Committee	Fieldwork in progress	Visits are scheduled, delays have been incurred due to changes in commissioning support staff.
22/23 Change Management	10	3	10/02/2025	June 2026	Postponed to 2025/26	Moved to the 2025/26 audit plan at the request of management. Agreed start date of 10 th February 2026 has been agreed.

System	Audit Days	Planned Quarter	Agreed Start Date	Audit Committee Reporting	Current Status	Comments
Follow Up	12	All				
Annual Planning	2	All				
Annual Report	2	All				
Audit Management	24	All				
Total b/fwd Days	130					
Total 2024/25 Days	211					

2025/26 Plan

System	Audit Days	Planned Quarter	Agreed Start Date	Audit Committee Reporting	Current Status	Comments
Performance Management Framework	16	1	11/06/2025	October 2025	Final report issued	
Corporate Governance Structure	20	1	15/07/2025	February 2026	Final report issued	
Communication Strategy	12	2	26/08/2025	February 2026	Final report issued	
Procurement Strategy and Compliance including waivers	20	2	08/09/2025	February 2026	Final report issued	
Contract Management	12	2	22/09/2025	February 2026	Final report issued	
Asset and Capital Management	18	2	01/10/25	February 2026	Final report issued	
Police Investigating Centres (PICs).	20	1	25/06/2025	Next Audit Committee	Fieldwork in progress	Visits are being undertaken throughout the year
Data Quality	15	2	17/09/2025	Next Audit Committee	Fieldwork in progress	
Estate Strategy	15	3	07/10/2025	Next Audit Committee	Draft report issued	
Risk Management (for constabularies and office of the police and crime commissioners offices)	14	3	25/11/2025	Next Audit Committee	Draft report issued	
Key Financials Controls	25	4	26/01/2026	Next Audit Committee	Fieldwork in progress	
Limited Duties	20	4	29/01/2026	Next Audit Committee	Fieldwork in progress	Moved to Q4 at management request
Body Worn Cameras	14	4	17/02/2026		Start date agreed	Audit brief issued
Learning and Development	14	4	24/02/2026		Start date agreed	Audit brief issued
Follow-up	12					Follow-up ongoing and undertaken throughout the year
Annual Planning	2					Audit planning complete for 2025/26 and has commence for 2026/27
Annual Report	2					

System	Audit Days	Planned Quarter	Agreed Start Date	Audit Committee Reporting	Current Status	Comments
Audit Management	24					Audit management ongoing and undertaken throughout the year
Total Plan	275					

Appendix C: Recommendations Status as at the 31st January

Recommendations Summary:

Audit	Implemented / No longer relevant since last Audit Committee	Overdue	Comments
Recruitment and Induction Training		1	Recommendation is now overdue
Retention of Staff		1	Revised date has been requested
Fleet Management Strategy		4	Revised dates have been requested
Data Quality	1		
22/23 ICT Strategy/Project Management – Support for New Projects	1		Reported in the private audit committee section
Corporate Governance	1		
Total Recommendations	3	6	

Recommendations implemented since the last Audit Committee meeting:

Audit	Recommendation	Priority	Management Comments	Original Due Date	Revised Due Date	Responsible Officer	Update
25/26 Corporate Governance	Terms of Reference for the Norfolk Command Team and Suffolk Chief Officers Management Group to be finalised and regularly reviewed, explaining their role in terms of supporting delegated decision making. The JCOT Terms of Reference to be dated and approved, and process to be put in place to ensure JCOT Terms of Reference is reviewed regularly	3	Recommendations accepted.	30/11/25		ACOs	This has been addressed a new terms of reference for JCOT has been developed and this has been formally signed off.
23/24 Data Quality	An appropriate solution to be sourced to address the legacy data errors.	3	The Genie/Clearcore project is currently on hold and the manual solution remains in place and will continue.	31/03/25	30/06/25 & 30/12/25	Head of Information Management	This has been addressed. Additional checks are now in place as the Genie Clearcore Project is on hold.
22/23 ICT Strategy/Project Management – Support for New Projects	Management to ensure that the Terms of References for the following boards be reviewed, updated and approved: ICT Portfolio. ICT Operations. Technical Design Authority. The review to ensure that similar Terms of References for other relevant groups also be included.	3	TORs for all three meetings will be reviewed and redrafted into a consistent format in the next quarter.	31/12/25			This has been addressed, terms of references have been reviewed and formally signed off.

Recommendations overdue:

Audit	Recommendation	Priority	Management Comments	Original Due Date	Revised Due Date	Responsible Officer	Progress
24/25 Retention of Staff	The Retention Strategy and/or supporting procedure, to be expanded to include the retention initiatives, roles and responsibilities, training and support, monitoring arrangements and how outputs will be used to improve turnover and retention for both police officers and staff.	1	The strategy can be amended to make reference to the stay and say initiative, but the additional narrative is too detailed for a strategy. All details are contained in the scheme information which can be published on the intranet. To support the delivery of the Retention Strategy we intend to develop an action plan which will incorporate say and stay and exit interview data.	31/08/2025	31/12/25	Head of Strategy and Plannin	05/01/26 - The Strategic Workforce Plan has been drafted and is due for sign off by the new DCC's at a meeting on Thursday 8th January. The meeting on the 8th was cancelled, this is scheduled to go to the next audit meeting. A revised date has been requested as awaiting formal sign off
23/24 Fleet Management Strategy	A detailed plan to be developed stating when vehicles are to be replaced so that progress can be monitored appropriately.	2	Head of Transport and Uniform Services to attend Joint Chief Officer Team meeting to determine programme for change.	31/12/25	31/03/26		19/12 Head of Transport attended Norfolk COT meeting. Where agreement and funding was provided to carry out a trial of EV's at Broadland response Hub. The findings from the trial will determine pace for transition to electric. SBOS are engaged for benefit realisation. Meeting awaited for Suffolk COT meeting.
23/24 Fleet Management Strategy	A detailed plan to be developed covering rollout of charge-points across the estate. The plan to identify exactly how many are needed, where they need to be placed and when they are due to	2	Head of Transport and Uniform Services to attend Joint Chief Officer Team meeting to determine programme for change.	31/12/25	31/03/26		19/12 Head of Transport attended Norfolk COT meeting. Where agreement and funding was provided to carry out a trial of EV's at Broadland response Hub. The findings from the trial will determine pace for transition to electric. SBOS are engaged for benefit realisation.

Audit	Recommendation	Priority	Management Comments	Original Due Date	Revised Due Date	Responsible Officer	Progress
	be put in so that progress can be monitored.						Meeting awaited for Suffolk COT meeting.
23/24 Fleet Management Strategy	Work to continue to electrify the fleet, there are potential savings that can be achieved from electrifying the fleet. In addition, there is a risk that parts will not be available for non-electric vehicles.	2	Original replacement target set out in interim Transport Strategy, no longer relevant due to insufficient budget being available. Links to Recommendation 2 above.	31/12/25	31/03/26		19/12 Head of Transport attended Norfolk COT meeting. Where agreement and funding was provided to carry out a trial of EV's at Broadland response Hub. The findings from the trial will determine pace for transition to electric. SBOS are engaged for benefit realisation. Meeting awaited for Suffolk COT meeting.
23/24 Fleet Management Strategy	Once detailed plan identifying charging points has been developed, implementation against this plan to commence.	2	Head of Transport and Uniform Services to attend Joint Chief Officer Team meeting to determine programme for change.	31/12/25	31/03/26		19/12 Head of Transport attended Norfolk COT meeting. Where agreement and funding was provided to carry out a trial of EV's at Broadland response Hub. The findings from the trial will determine pace for transition to electric. SBOS are engaged for benefit realisation. Meeting awaited for Suffolk COT meeting.
24/25 Recruitment and Induction Training	Develop a Probation Policy or procedure to document the current process or add this information to the existing policy/framework.	2	A Probation Procedure will be developed, which will draw together existing documentation. This will focus on police staff and transferees given the Student Police Officer policy.	30/09/25			Work is ongoing to address this.

Appendix C: Briefings on Developments in Governance, Risk and Control

TIAA produce regular briefing notes to summarise new developments in Governance, Risk, Control, Counter Fraud and Security Management which may have an impact on our clients. These are shared with clients and made available through our Online Client Portal. A summary list of those briefings issued in the last three months which may be of relevance to Office of the Police and Crime Norfolk and Chief Constable of Norfolk Constabulary is given below:

Summary of recent Client Briefings and Alerts

Date Issued	Briefing Type	Subject	Website Link	TIAA Comments
30 January 2026	Client Briefing	Safeguarding Culture, Learning and Multi-Agency Practice Briefing	Safeguarding Culture, Learning and Multi-Agency Practice Briefing - TIAA	This briefing summarises key insights from a conversation with safeguarding specialist Peter Stride, drawing on his experience chairing Domestic Abuse-Related Death Reviews, Safeguarding Adult Reviews and Children’s Reviews. It highlights the cultural, organisational and multi-agency factors that drive safeguarding success — and failure — across health, social care, local government and emergency services.
23 January 2026	Podcast	Safeguarding Culture, Learning and Multi Agency Practice Podcast	Safeguarding Culture, Learning and Multi Agency Practice Podcast - TIAA	This podcast features a discussion between TIAA Directors Veran Patel and Fiona Roe, alongside safeguarding specialist Peter Stride, who draws on his extensive experience chairing Domestic Abuse Related Death Reviews, Safeguarding Adult Reviews and Children’s Reviews. The conversation explores the cultural, organisational and multi-agency factors that contribute to both success and failure in safeguarding across health, social care, local government and emergency services.
22 January 2026	Data Protection Alert	Police Rollout of Live Facial Recognition	Police Rollout of Live Facial Recognition - TIAA	Thames Valley Police has commenced the deployment of live facial recognition (LFR) technology in Oxford and the wider Thames Valley area, including the operation of specialised LFR vans in public spaces. The force states the rollout is intended to support frontline policing, enabling the rapid identification of wanted suspects and missing persons.

Date Issued	Briefing Type	Subject	Website Link	TIAA Comments
21 January 2026	Anti-Crime Alert	Rising Fraud in IT Asset Management and Disposal	Rising Fraud in IT Asset Management and Disposal - TIAA	TIAA Anti-Crime Specialists have been alerted to vulnerabilities in the management and disposal of assets. Employees of organisations are misappropriating IT equipment (laptops, mobile phones and iPads), which are then sold via both online selling platforms and physical shops.
15 January 2026	Anti-Crime Alert	SFO Investigation into Home REIT – Key Risks and Support Available	SFO Investigation into Home REIT – Key Risks and Support Available - TIAA	The Serious Fraud Office’s recent investigation into former Home REIT management — involving arrests linked to an estimated £300m fraud — highlights significant risks for organisations working with supported housing providers.
5 January 2026	TIAA Blog	Security Matters: Learning From Huntingdon – Protecting People in an Age of Uncertainty	Security Matters: Learning From Huntingdon - Protecting People in an Age of Uncertainty - TIAA	The second in our Security Blog series. This month we explore lessons from the Huntingdon train attack and what it teaches us about protecting people in uncertain times, with key takeaways and advice.
02 December 2025	TIAA Blog	Security Matters: AI-Enhanced CCTV: A Smarter Ally in the Fight Against Crime	Security Matters: AI-Enhanced CCTV: A Smarter Ally in the Fight Against Crime - TIAA	The first in our Security Blog series. Artificial Intelligence (AI) is transforming the landscape of public safety and crime prevention across the UK. Among the most promising developments is the use of AI-powered CCTV systems — technology that can rapidly analyse footage, recognise patterns, and identify suspects far faster than human operators ever could.
02 December 2025	Security Alert	Update on roles created to implement Terrorism (Protection of Premises) Act	Update on roles created to implement Terrorism (Protection of Premises) Act - TIAA	Two new roles have been created in order to implement Martyn’s Law successfully. The Competent Person in the Workplace (CPIW) and the Counter Terror Security Specialist (CTSS) which will require formal registration. Both roles are currently being developed and awaiting final statutory guidance by March 2026.



ORIGINATOR: Chief Finance Officer

REASON FOR SUBMISSION: To review and note.

SUBJECT: Mid-Year Treasury Management Monitoring Report 2025/26

SUMMARY:

The regulatory framework for treasury management requires the Police and Crime Commissioner (PCC) to receive a mid-year monitoring report on treasury activities.

This report provides information on the treasury management activities of the PCC for the period 1st April 2025 to 30th September 2025.

At the 30th September 2025, the PCC's external debt excluding PFI and ROU lease liabilities was £37.3m, its investments totalled £28.50m and bank balances £0.315m.

RECOMMENDATION:

The Committee is asked to review and note the report.

1. Introduction

- a. The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice for Treasury Management in the Public Sector (the Code), requires that the PCC receives a mid-year review of treasury activities in addition to the forward looking annual investment and treasury strategy and backward looking annual treasury report. The

Annual Investment and Treasury Strategy for the current year (2025/26) was reviewed by the Audit Committee on 20 February 2025.

- 1.2 The PCC operates a balanced budget, which broadly means income receivable during the year will cover expenditure payable and any planned movement on reserves. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering maximising investment return.
- 1.3 The second main function of the treasury management service is the financing of the PCC's capital plans. These capital plans provide a guide to the borrowing need of the PCC, essentially the longer term cash flow planning to ensure the PCC can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to the PCC's risk or cost objectives.
- 1.4 As a consequence treasury management is defined as:

"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
- 1.5 The PCC has delegated responsibility for treasury management decisions taken within the approved strategy to the PCC's Chief Finance Officer. Day to day execution and administration of investment and borrowing decisions are undertaken by the Constabulary.
- 1.6 The PCC recognises the importance of monitoring treasury management activities, with regular reports being presented to the Audit Committee throughout the year.
- 1.7 This mid-year review provides commentary on economic conditions produced by MUFG (the PCC's external treasury consultant) and details treasury activities for the period 1 April 2025 to 30 September 2025 including; cash balances and cash flow management, investment performance, counterparty management and long-term borrowing/debt management.

2. Link Asset Services Economic Update - October 2025

2.1 Economics update

- The first half of 2025/26 saw:
 - A 0.3% pick up in GDP for the period April to June 2025. More recently, the economy flatlined in July, with higher taxes for businesses restraining growth.
 - The 3m/yy rate of average earnings growth excluding bonuses has fallen from 5.5% to 4.8% in July.

- CPI inflation has ebbed and flowed but finished September at 3.8%, whilst core inflation eased to 3.6%.
 - The Bank of England cut interest rates from 4.50% to 4.25% in May, and then to 4% in August.
 - The 10-year gilt yield fluctuated between 4.4% and 4.8%, ending the half year at 4.70%.
- From a GDP perspective, the financial year got off to a bumpy start with the 0.3% m/m fall in real GDP in April as front-running of US tariffs in Q1 (when GDP grew 0.7% on the quarter) weighed on activity. Despite the underlying reasons for the drop, it was still the first fall since October 2024 and the largest fall since October 2023. However, the economy surprised to the upside in May and June so that quarterly growth ended up 0.3% q/q. Nonetheless, the 0.0% m/m change in real GDP in July will have caused some concern, with the hikes in taxes for businesses that took place in April this year undoubtedly playing a part in restraining growth. The weak overseas environment is also likely to have contributed to the 1.3% m/m fall in manufacturing output in July. That was the second large fall in three months and left the 3m/3m rate at a 20-month low of -1.1%. The 0.1% m/m rise in services output kept its 3m/3m rate at 0.4%, supported by stronger output in the health and arts/entertainment sectors. Looking ahead, ongoing speculation about further tax rises in the Autumn Budget on 26 November will remain a drag on GDP growth for a while yet. GDP growth for 2025 is forecast by Capital Economics to be 1.3%.
 - Sticking with future economic sentiment, the composite Purchasing Manager Index for the UK fell from 53.5 in August to 51.0 in September. The decline was mostly driven by a fall in the services PMI, which declined from 54.2 to 51.9. The manufacturing PMI output balance also fell, from 49.3 to 45.4. That was due to both weak overseas demand (the new exports orders balance fell for the fourth month in a row) and the cyber-attack-induced shutdown at Jaguar Land Rover since 1 September reducing car production across the automotive supply chain. The PMIs suggest tepid growth is the best that can be expected when the Q3 GDP numbers are released.
 - Turning to retail sales, and the 0.5% m/m rise in volumes in August was the third such rise in a row and was driven by gains in all the major categories except fuel sales, which fell by 2.0% m/m. Sales may have been supported by the warmer-than-usual weather. If sales were just flat in September, then in Q3 sales volumes would be up 0.7% q/q compared to the 0.2% q/q gain in Q2.
 - With the November Budget edging nearer, the public finances position looks weak. Public net sector borrowing of £18.0bn in August means that after five months of the financial year, borrowing is already £11.4bn higher than the OBR forecast at the Spring Statement in March. The overshoot in the Chancellor's chosen fiscal mandate of the current budget is even greater with a cumulative deficit of £15.3bn. All this was due to both current receipts in August being lower than the OBR forecast (by £1.8bn) and current expenditure being higher (by £1.0bn). Over the first five months of the financial year, current receipts have fallen short by a total of £6.1bn (partly due to lower-than-expected self-assessment income tax) and current expenditure has overshoot by a total of £3.7bn (partly due to social benefits and departmental spending). Furthermore, what very much matters now is the OBR forecasts and their impact on the current budget in 2029/30, which is when the Chancellor's fiscal mandate bites. As a general guide, Capital Economics forecasts

a deficit of about £18bn, meaning the Chancellor will have to raise £28bn, mostly through higher taxes, if she wants to keep her buffer against her rule of £10bn.

- The weakening in the jobs market looked clear in the spring. May's 109,000 m/m fall in the PAYE measure of employment was the largest decline (barring the pandemic) since the data began and the seventh in as many months. The monthly change was revised lower in five of the previous seven months too, with April's 33,000 fall revised down to a 55,000 drop. More recently, however, the monthly change was revised higher in seven of the previous nine months by a total of 22,000. So instead of falling by 165,000 in total since October, payroll employment is now thought to have declined by a smaller 153,000. Even so, payroll employment has still fallen in nine of the ten months since the Chancellor announced the rises in National Insurance Contributions (NICs) for employers and the minimum wage in the October Budget. The number of job vacancies in the three months to August stood at 728,000. Vacancies have now fallen by approximately 47% since its peak in April 2022. All this suggests the labour market continues to loosen, albeit at a declining pace.
- A looser labour market is driving softer wage pressures. The 3m/yy rate of average earnings growth excluding bonuses has fallen from 5.5% in April to 4.8% in July. The rate for the private sector slipped from 5.5% to 4.7%, putting it on track to be in line with the Bank of England's Q3 forecast (4.6% for September).
- CPI inflation fell slightly from 3.5% in April to 3.4% in May, and services inflation dropped from 5.4% to 4.7%, whilst core inflation also softened from 3.8% to 3.5%. More recently, though, inflation pressures have resurfaced, although the recent upward march in CPI inflation did pause for breath in August, with CPI inflation staying at 3.8%. Core inflation eased once more too, from 3.8% to 3.6%, and services inflation dipped from 5.0% to 4.7%. So, we finish the half year in a similar position to where we started, although with food inflation rising to an 18-month high of 5.1% and households' expectations for inflation standing at a six year high, a further loosening in the labour market and weaker wage growth may be a requisite to UK inflation coming in below 2.0% by 2027.
- An ever-present issue throughout the past six months has been the pressure being exerted on medium and longer dated gilt yields. The yield on the 10-year gilt moved sideways in the second quarter of 2025, rising from 4.4% in early April to 4.8% in mid-April following wider global bond market volatility stemming from the "Liberation Day" tariff announcement, and then easing back as trade tensions began to de-escalate. By the end of April, the 10-year gilt yield had returned to 4.4%. In May, concerns about stickier inflation and shifting expectations about the path for interest rates led to another rise, with the 10-year gilt yield fluctuating between 4.6% and 4.75% for most of May. Thereafter, as trade tensions continued to ease and markets increasingly began to price in looser monetary policy, the 10-year yield edged lower, and ended Q2 at 4.50%.
- More recently, the yield on the 10-year gilt rose from 4.46% to 4.60% in early July as rolled-back spending cuts and uncertainty over Chancellor Reeves' future raised fiscal concerns. Although the spike proved short lived, it highlighted the UK's fragile fiscal position. In an era of high debt, high interest rates and low GDP growth, the markets are now more sensitive to fiscal risks than before the pandemic. During August, long-dated gilts underwent a particularly pronounced sell-off, climbing 22

basis points and reaching a 27-year high of 5.6% by the end of the month. While yields have since eased back, the market sell-off was driven by investor concerns over growing supply-demand imbalances, stemming from unease over the lack of fiscal consolidation and reduced demand from traditional long-dated bond purchasers like pension funds. For 10-year gilts, by late September, sticky inflation, resilient activity data and a hawkish Bank of England have kept yields elevated over 4.70%.

- The FTSE 100 fell sharply following the “Liberation Day” tariff announcement, dropping by more than 10% in the first week of April - from 8,634 on 1 April to 7,702 on 7 April. However, the de-escalation of the trade war coupled with strong corporate earnings led to a rapid rebound starting in late April. As a result, the FTSE 100 closed Q2 at 8,761, around 2% higher than its value at the end of Q1 and more than 7% above its level at the start of 2025. Since then, the FTSE 100 has enjoyed a further 4% rise in July, its strongest monthly gain since January and outperforming the S&P 500. Strong corporate earnings and progress in trade talks (US-EU, UK-India) lifted share prices and the index hit a record 9,321 in mid-August, driven by hopes of peace in Ukraine and dovish signals from Fed Chair Powell. September proved more volatile and the FTSE 100 closed Q3 at 9,350, 7% higher than at the end of Q1 and 14% higher since the start of 2025. Future performance will likely be impacted by the extent to which investors’ global risk appetite remains intact, Fed rate cuts, resilience in the US economy, and AI optimism. A weaker pound will also boost the index as it inflates overseas earnings.

MPC meetings: 8 May, 19 June, 7 August, 18 September 2025

- There were four Monetary Policy Committee (MPC) meetings in the first half of the financial year. In May, the Committee cut Bank Rate from 4.50% to 4.25%, while in June policy was left unchanged. In June’s vote, three MPC members (Dhingra, Ramsden and Taylor) voted for an immediate cut to 4.00%, citing loosening labour market conditions. The other six members were more cautious, as they highlighted the need to monitor for “signs of weak demand”, “supply-side constraints” and higher “inflation expectations”, mainly from rising food prices. By repeating the well-used phrase “gradual and careful”, the MPC continued to suggest that rates would be reduced further.
- In August, a further rate cut was implemented. However, a 5-4 split vote for a rate cut to 4% laid bare the different views within the Monetary Policy Committee, with the accompanying commentary noting the decision was “finely balanced” and reiterating that future rate cuts would be undertaken “gradually and carefully”. Ultimately, Governor Bailey was the casting vote for a rate cut but with the CPI measure of inflation expected to reach at least 4% later this year, the MPC will be wary of making any further rate cuts until inflation begins its slow downwards trajectory back towards 2%.
- The Bank of England does not anticipate CPI getting to 2% until early 2027, and with wages still rising by just below 5%, it was no surprise that the September meeting saw the MPC vote 7-2 for keeping rates at 4% (Dhingra and Taylor voted for a further 25bps reduction).
- The Bank also took the opportunity to announce that they would only shrink its balance sheet by £70bn over the next 12 months, rather than £100bn. The

repetition of the phrase that “a gradual and careful” approach to rate cuts is appropriate suggests the Bank still thinks interest rates will fall further but possibly not until February, which aligns with both our own view and that of the prevailing market sentiment.

2.2 Interest Rate Forecasts

The Authority has appointed MUFG Corporate Markets as its treasury advisors and part of their service is to assist the Authority to formulate a view on interest rates. The PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20bps) which has been accessible to most authorities since 1 November 2012.

MUFG Corporate Markets’ latest forecast on 11 August sets out a view that short, medium and long-dated interest rates will fall back over the next year or two, although there are upside risks in respect of the stickiness of inflation and a continuing tight labour market, as well as the size of gilt issuance.

MUFG Corporate Markets Interest Rate View 11.08.25													
	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28
BANK RATE	4.00	4.00	3.75	3.75	3.50	3.50	3.50	3.50	3.25	3.25	3.25	3.25	3.25
3 month ave earnings	4.00	4.00	3.80	3.80	3.50	3.50	3.50	3.50	3.30	3.30	3.30	3.30	3.30
6 month ave earnings	4.00	3.90	3.70	3.70	3.50	3.50	3.50	3.50	3.30	3.30	3.40	3.40	3.40
12 month ave earnings	4.00	3.90	3.70	3.70	3.50	3.50	3.50	3.50	3.30	3.40	3.50	3.60	3.60
5 yr PWLB	4.80	4.70	4.50	4.40	4.30	4.30	4.30	4.20	4.20	4.20	4.20	4.10	4.10
10 yr PWLB	5.30	5.20	5.00	4.90	4.80	4.80	4.80	4.70	4.70	4.70	4.70	4.60	4.60
25 yr PWLB	6.10	5.90	5.70	5.70	5.50	5.50	5.50	5.40	5.40	5.30	5.30	5.30	5.20
50 yr PWLB	5.80	5.60	5.40	5.40	5.30	5.30	5.30	5.20	5.20	5.10	5.10	5.00	5.00

3. Cash Balances and Cash Flow Management

- 3.1 The PCC’s cash and short-term investment balances support revenue and capital resources, such as general balances and earmarked reserves and the timing differences between the receipt and payment of monies required to meet the cost of PCC services and the capital programme. The average level of cash and short term-investment balances in the year-to-date totals £31.3m.
- 3.2 Cash and short-term investment balances are managed internally and have been invested in accordance with the PCC’s approved Authorised Lending List.
- 3.3 A key objective of cash flow management is to minimise balances held in the PCC’s bank accounts in order to ensure that the maximum interest is earned.
- 3.4 The PCC operates seven bank accounts. Cash balances across all seven accounts are aggregated and surplus cash balances are invested on a daily basis.
- 3.5 From 1 April 2025 to 30 September 2025 (excluding investments, investment maturity and loan repayments), monies received amounted to £190.9m while payments total £165.4m, resulting in an overall increase in cash balances of £25.5m.
- 3.6 By continuing to delay borrowing for capital purposes (Section 6) while at the same time actively managing levels of liquid cash, the PCC on occasions has

needed to borrow short-term from the money markets to cover daily liquidity. However there has been no short term borrowing in the review period.

4. Investment Performance

4.1 In accordance with the Code, it is the PCC's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the PCC's risk appetite.

a. At the 30th September 2025, the PCC held £28.5m of investments. The profile of these investments is shown below.

Institutional Sector	Liquid £m	Up to 3 months £m	Up to 6 months £m	Up to 9 months £m	Up to 12 months £m
Part Nationalised					
Banks	-	-	-	-	-
UK Banks	3.5	-	-	-	-
Non-UK Banks	-	-	-	-	-
UK Banks with non-UK ultimate parent	-	5.0	10.0		
Building Societies	-	-	-	-	-
Other*	10.0	-	-	-	-
Total	12.5	5.0	10.0-	-	-

*Includes: Money Market Funds

b. A more detailed investment profile at 30th September 2025 is shown at Appendix 1.

4.4 The average interest rate earned for the year to date is 3.17%.

4.5 Gross interest earned for the period 1st April 2024 to 30th September 2024 was £0.488m.

5. Counterparty Maintenance

5.1 The PCC CFO is responsible for maintaining an Approved Counterparty List in accordance with the criteria as set out in the approved Annual Investment and Treasury Strategy 2025/26. Credit rating information is supplied by our treasury consultants on all active counterparties. Any rating changes, rating watches (notification of a likely change) and rating outlooks (notification of a possible longer-term change) are provided by our treasury consultants immediately they occur. A wide range of market information such as Credit Default Swap prices and share price is also taken into account. The Approved Counterparty List is

therefore actively managed on a day-to-day basis and when an institution no longer meets the PCC approved counterparty criteria, it is immediately removed.

- There have been no credit rating downgrades during the period 1st April 2025 to 30th September 2025 that have resulted in counterparties being removed from the authorised counterparty list.

6. Long Term Borrowing/Debt Management

- 6.1 The PCC undertakes capital expenditure on long-term assets. This activity gives rise to the need to borrow. Part of the PCC's treasury management activity is to address this borrowing need, either through long term borrowing from external bodies (PWLB or commercial banks) or utilising temporary cash resources within the PCC pending long term borrowing.
- 6.2 In accordance with the approved 2025/26 Investment and Treasury Strategy, the PCC continues to delay new borrowing for capital purposes, using cash balances on a temporary basis to avoid the cost of 'carrying' debt in the short term. Delaying borrowing and running down the level of investment balances also reduces the PCC's exposure to investment counterparty risk.
- 6.3 At the 30th September 2025, the PCC's external borrowing (debt outstanding, excluding PFI) totaled £37.3m (PWLB)
- 6.4 The PCC's overall capital financing requirement (excluding PFI & ROU Leases) at 31.3.25 was £54.1m. The capital financing requirement at 31.3.26 projected in the 2025-29 MTFP is £55.6m. This represents unfunded capital expenditure for which approved borrowing can be drawn down. The PCC's CFO, under delegated powers, will take the most appropriate form of borrowing depending on the prevailing interest rates at the time, taking into account the risks identified in the economic forecast (Section 2).
- 6.5 The Public Works Loans Board (PWLB) provides a facility to restructure debt, including early repayment of loans and encourages local authorities to do so when circumstances permit. This can result in net savings in overall interest charges. Current circumstances do not suggest that refinancing existing PWLB debt would be economically prudent due to the significant repayment penalties. However prevailing PWLB interest rates continue to be monitored in order to identify repayment opportunities.
- 6.6 At no point during the period 1 April 2025 to 30 September 2025 has borrowing exceeded either the Operation Boundary Limit or the Authorised Limit for External Debt set in the 2025/26 Investment and Treasury Strategy.

7. Other

- 7.1 A report setting out our Capital Strategy will be included in the Budget and Medium Term Financial Plan 2026/30 which will be presented to the Police and Crime Panel in early 2026.

8 Conclusion

- 8.1 The Mid-Year Treasury Management Monitoring Report 2025/26 provides information on the Treasury Management activities of the PCC for the period 1st April 2025 to 30th September 2025.

9 Recommendation

- 9.1 It is recommended that Audit Committee notes the Mid-Year Treasury Management Monitoring Report 2025/26.

Appendix 1

CURRENT INVESTMENTS				
Start	Repay	Borrower	Rate	Amount
03/07/2025	03/10/2025	Goldman Sachs Intl	4.23%	£5,000,000
09/06/2025	09/12/2025	DBS Bank Ltd	4.29%	£10,000,000
19/09/2025	Instant Access	Barclays Bank	3.00%	£1,500,000
23/09/2025	Instant Access	Barclays Bank	3.00%	£1,000,000
19/09/2025	Instant Access	Lloyds Bank	3.77%	£1,000,000
15/08/2025	Instant Access	CCLA	4.02%	£6,000,000
19/09/2025	Instant Access	CCLA	4.02%	£4,000,000
				£28,500,000



Audit Committee - Forward Work Plan

Meeting date: 24th March 2026

Action	Outcome / Owner
Morning Briefing	NAO Productivity Report
Welcome and Apologies	Noted
Declarations of Interest	Noted
Minutes of meeting 19th Feb 2026	Noted
Actions from previous meeting	Action Log
External Audit	Report from Director, EY
Internal Audit	Reports from Head of Internal Audit
Devolution Update (Verbal)	PCC CFO
Part 2 Private Agenda	Noted
Minutes of meeting 19th Feb 2026	Noted
Actions from previous meeting	Action Log
Strategic Risk Registers	Chief Constable and Chief Executive (OPCCN)
Fraud Update – Part 2 private agenda	Verbal Update

Meeting date: TBC July 2026

Action	Outcome / Owner
Morning Briefing	TBC
Welcome and Apologies	Noted

Action	Outcome / Owner
Declarations of Interest	Noted
Minutes of meeting 24th March 2026	Noted
Actions from previous meeting	Action Log
External Audit	Report from Director, EY
Internal Audit	Reports from Head of Internal Audit
Devolution Update (Verbal)	PCC CFO
Part 2 Private Agenda	Noted
Minutes of meeting 24th March 2026	Noted
Actions from previous meeting	Action Log
Fraud Update – Part 2 private agenda	Verbal Update

Meeting date: TBC October 2026

Action	Outcome / Owner
Morning Briefing	TBC
Welcome and Apologies	Noted
Declarations of Interest	Noted
Minutes of meeting x July 2026	Noted
Actions from previous meeting	Action Log
External Audit	Report from Director, EY
Internal Audit	Reports from Head of Internal Audit
Devolution Update (Verbal)	PCC CFO
Part 2 Private Agenda	Noted
Minutes of meeting x^d July 2026	Noted
Actions from previous meeting	Action Log
Fraud Update – Part 2 private agenda	Verbal Update
Strategic Risk Registers	Chief Constable and Chief Executive (OPCCN)

Report author: Simon George -Chief Finance Officer